



AMITY SCHOOL DISTRICT NO. 4J

AMITY, OREGON

JUNE 30, 2012

AUDIT REPORT

STEVE TUCHSCHERER
Certified Public Accountant
A Professional Corporation

AMITY SCHOOL DISTRICT NO. 4J

807 Trade Street
Amity, Oregon 97101-0138
(503) 835-2171

DISTRICT OFFICIALS

CRAIG HUDSON Board Chair
20465 Poco Lane, Amity, OR 97101

SANDY MCKEE Vice-Chair
23350 SE McKee Road, Amity, OR 97101

RAY BOTTENBERG Board Member
9605 Yocum Road, Sheridan, OR 97378

BARBARA ROWE Board Member
PO Box 590, Amity, OR 97101

PAUL DAUENHAUER Board Member
12800 SE Fairview Rd., Dayton, OR 97114

ADMINISTRATION

REG McSHANE Superintendent
807 Trade Street, Amity, OR 97101

ANN ADAMS Deputy Clerk
807 Trade Street, Amity, OR 97101

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Amity School District #4J
807 Trade Street
Amity, Oregon 97101

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amity School District #4J as of and for the year ended June 30, 2012 which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Amity School District #4J's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Amity School District #4J, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued my report dated December 4, 2012, on my consideration of the Amity School District #4J's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 through 8 and 32 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the management's discussion and analysis in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assistance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Amity School District #4J's financial statements as a whole. The combining and individual non-major fund financial statements and additional supporting schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual non-major fund financial statements, additional supporting schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Steve Tuchscherer, CPA
December 4, 2012

MANAGEMENT'S DISCUSSION

AND ANALYSIS

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
Unaudited

The discussion and analysis of Amity School District's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2012 are as follows:

- The District's net assets increased by \$5,895 which represents a 0.9 percent increase from the previous year.
- General revenues accounted for \$6,988,609 in revenue, or 85.1 percent of all revenues. Program specific revenues in the form of charges for services, and grants and donations accounted for \$1,226,860 or 14.9 percent of total revenues of \$8,215,469.
- The District had \$8,209,576 in expenses related to governmental activities; which was less than total revenues, resulting in an increase in net assets of \$5,895. Total expenses increased \$76,653 over the previous year.
- Total assets of governmental activities decreased by \$686,482. The decrease resulted primarily from a decrease of \$308,647 in capital assets, net of accumulated depreciation and a \$255,331 decrease in prepaid expense – pension obligation, net of accumulated amortization.
- Total liabilities decreased by \$692,376, largely due to a decrease in general obligation and PERS bonds of more than \$570,000, and a decrease in QZAB note payables of \$69,261.
- Among the governmental funds, the general fund had \$6,645,874 in receipts, which primarily consisted of state school support funds and property taxes. Actual revenues in the general fund were \$205,058 less than budgeted. Revenue from state school support fund was \$83,130 more than the budgeted amount. General Fund expenditures totaled \$6,581,593 including \$45,000 in budgeted interfund transfers out and \$69,261 in budgeted debt service payments. The General Fund's fund balance increased \$64,281 to \$965,177.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Assets*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
Unaudited

The second government-wide statement is the *Statement of Activities* which reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues--principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant, student transportation, and non-instructional support services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budget versus actual statements and combining statements in a later section of this report.

At this time the District has two kinds of funds:

Governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, the fund financial statements report short-term fiscal accountability focusing on use of spendable resources during the year, and balances of spendable resources available at the end of the fiscal year. They are useful in evaluating whether the annual financing requirements of governmental programs such as regular and special education were financed in the short term and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental statement of assets, liabilities, and fund equities and the governmental fund statement of receipts, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Fiduciary funds such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements, but are excluded from government-wide reporting. Fiduciary fund financial statements report net assets and changes in net assets on a cash basis.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
Unaudited

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents, as required supplementary information schedules of revenues, expenditures, and changes in fund balance—budget and actual for the General Fund, the IDEA Grant Fund, the Title 1 Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary information includes individual fund schedules of revenues, expenditures, and changes in fund balance—budget and actual for the Debt Service Funds and all non-major funds. Also presented as other supplementary information are various other schedules. These schedules immediately follow the required supplementary information in this report.

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's net assets at fiscal year-end are \$676,394. This is a \$5,895 increase from last year's net assets and represents a 0.9 percent increase from the previous year.

The following table provides a summary of the District's net assets. Prior year information is provided for comparative purposes.

Summary of Net Assets

	Governmental Activities		
	June 30, 2012	June 30, 2011	Percentage Change
Assets			
Current and Other Assets	\$ 6,493,792	\$ 6,902,037	-5.91%
Capital Assets	5,646,850	5,925,087	-4.70%
Total Assets	12,140,642	12,827,124	-5.35%
Liabilities			
Long-Term Liabilities	10,666,244	11,382,983	-6.30%
Other Liabilities	798,005	773,642	3.15%
Total Liabilities	11,464,249	12,156,625	-5.70%
Net Assets			
Invested in Capital Assets			
Net of Debt	1,008,151	817,127	23.38%
Restricted	145,668	185,834	-21.61%
Unrestricted	(477,425)	(332,462)	43.60%
Total Net Assets	\$ 676,394	\$ 670,499	0.88%

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
Unaudited

The following table shows the changes in net assets. Prior year information is provided for comparison of government-wide revenue and expense information.

Changes in Net Assets

	<u>Governmental Activities</u>		
	<u>2011-12</u>	<u>2010-11</u>	<u>Percentage Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 371,243	\$ 338,549	9.7%
Operating Grants and Contributions	855,617	851,894	0.4%
General Revenues			
Property Taxes	1,900,388	1,979,453	-4.0%
State Basic School Support	4,770,343	4,621,965	3.2%
Other	317,878	280,263	13.4%
Total Revenues	<u>8,215,469</u>	<u>8,072,124</u>	1.8%
Program Expenses			
Instruction	4,671,085	4,583,409	1.9%
Support Services	2,715,524	2,727,516	-0.4%
Community Services	307,026	307,522	-0.2%
Interest on Long-Term Debt	515,941	514,476	0.3%
Total Program Expenses	<u>8,209,576</u>	<u>8,132,923</u>	0.9%
Change in Net Assets before Special Items	5,893	(60,799)	-109.7%
Special Items	-	-	
Change in Net Assets	<u><u>\$ 5,893</u></u>	<u><u>\$ (60,799)</u></u>	-109.7%

The largest governmental activities program is instruction, which comprises 56.9 percent of expenses. Interest expense was 6.28 percent of total expenses.

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
Unaudited

Governmental Activities

	<u>2011-12</u>		<u>2010-11</u>	
	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost (Profit) of Services</u>
Instruction	\$ 4,671,085	\$ 3,865,591	\$4,583,409	\$ 3,717,031
Support Services				
Students	416,180	416,037	377,226	375,017
Instructional Staff	202,728	107,742	212,571	169,313
General Administration	185,172	185,172	166,424	145,580
School Administration	481,922	481,922	484,641	484,641
Business Services	195,701	194,650	211,325	211,216
Operation & Maintenance of Plant Services	667,302	667,302	736,285	736,285
Student Transportation Services	353,644	312,172	387,688	387,688
Staff Services	81,587	80,667	26,931	26,931
Technology Services	131,288	131,288	124,425	124,425
Community Services	307,026	24,232	307,522	49,877
Interest on Long-Term Debt	515,941	515,941	514,476	514,476
Total Program Expenses	<u>\$ 8,209,576</u>	<u>\$ 6,982,716</u>	<u>\$8,132,923</u>	<u>\$ 6,942,480</u>

The dependence on property tax and state basic support revenues is apparent. Over 82.8 percent of instruction activities are supported through property tax and state basic support. For all governmental activities general revenue support was 85.1 percent. Unrestricted state basic school support payments are by far the primary support of Amity School District No. 4J students.

Financial Analysis of the District's Funds

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$1,935,163, a decrease of \$90,526. The fund balance consists of non-spendable, restricted amounts, committed amounts, assigned amounts, and unassigned amounts.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$64,281.

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
Unaudited

Budgetary Highlights

Over the course of the year, the District made only minor changes to its various funds' budgets.

General Fund revenues were budgeted and anticipated to be collected in the amount of \$6,440,816 during the fiscal year. Actual General Fund receipts of \$6,645,874 exceeded budgeted revenues by \$205,058, or 3.18 percent. In the General Fund, District spending was less than budgeted amounts in most function areas. Total appropriations budgeted in the General Fund were \$7,141,653 while actual General Fund expenditures of \$6,581,593 resulted in a difference of \$560,050 or 7.84 percent of the budgeted total.

The IDEA Grant Fund actual revenues of \$171,885 were \$192,365 less than budgeted while expenditures of \$171,885 were \$192,365 less than the budgeted amount. The fund began the year with a \$0 balance and ended the year with a \$0 balance.

The Title 1 Grant Fund actual revenues of \$183,269 were \$33,400 less than budgeted while expenditures of \$183,269 were \$32,766 less than the budgeted amount. The fund began the year with a \$0 balance and ended the year with a \$0 balance.

The Debt Service Fund actual revenues received were \$20,318 more than budgeted while expenditures were \$1 less than the budgeted amount of \$621,600. The fund began the year with a \$30,421 balance and ended the year with a \$49,478 balance.

The PERS Bond Service Fund actual revenues received were \$13,015 less than budgeted while expenditures were \$2 less than the budgeted amount. The fund began the year with a \$508,403 balance and ended the year with a \$410,372 balance.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2012, the District had invested \$9,790,868 in capital assets, including school buildings, athletic facilities, land, vehicles, computers and other equipment and furnishings. This amount represents a 0.3 percent increase prior to depreciation.

Total depreciation expense for the year was \$308,647. Additional information on the District's capital assets can be found in Note 4 in the notes to the basic financial statements section of this report.

Long-Term Debt

At June 30, 2012, the District had general obligation bonds payable due of \$10,532,933. The entire balance is backed by the full faith and credit of the District. Debt payments reduced the bonds payable debt by \$572,098 during the fiscal year. Interest of \$516,717 was paid on the bonded debt. The District had Qualified Zone Academy Bonds (QZAB) payable of \$735,909. The entire balance is backed by the full faith and credit of the District. Debt payments reduced the QZAB debt by \$69,261 during the fiscal year. Annual payments are made to a trustee, which accumulates the payments until the bonds come due in 2019. Interest is earned on the account held by the trustee, and interest on the bonds is subsidized by the federal government's QZAB program.

AMITY SCHOOL DISTRICT NO. 4J
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2012
Unaudited

Economic Factors and Next Year's Budget and Rates

The primary factors considered in developing the budget for next year were the District's increased student population resulting in a 2.1 percent increase in state school fund allocations, an increase in PERS costs, negotiations with employee unions, and overall economic uncertainty.

Budgeted expenditures in the General Fund increased 2.35 percent to \$7,429,062 for fiscal year 2012-2013. Anticipated revenue increases in property taxes, state government funding and an increase in the estimated beginning fund balance account for the majority of the increases in budgeted expenditures.

The majority of appropriation increases used to balance the 2012-2013 budget were in employee benefit costs and increasing contingency appropriations. No new programs were added to the 2012-2013 budget.

The State's budget for the 2011-2013 biennium is expected to meet the District's 2012-2013 budgeted state basic school support revenues. However, the district continues to review the status of the various issues impacting its funding while scrutinizing all expenditures in order to minimize the negative impact of this financial uncertainty.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have any questions about this report or need additional information, contact the Business Office, Amity School District No. 4J, 807 Trade St., Amity, Oregon 97101.

BASIC FINANCIAL
STATEMENTS

Government-wide

Financial Statements

AMITY SCHOOL DISTRICT NO. 4J

STATEMENT OF NET ASSETS

June 30, 2012

	<u>Governmental Activities</u>	
<u>ASSETS:</u>		
Current Assets:		
Cash and Investments	\$ 1,743,538	
Property Taxes Receivable	216,828	
Accounts Receivable	42,656	
Due From Other Governments	133,286	
Prepaid Loan Fees, net of accumulated amortization	252,779	
Inventory-Food, Supplies & Commodities	19,414	
Total Current Assets		\$ 2,408,501
Capital Assets:		
Land	221,099	
Land Improvements	689,461	
Buildings & Improvements	8,324,826	
Vehicles	259,119	
Equipment	296,363	
Less: Accumulated Depreciation	(4,144,018)	
Total Capital Assets, Net of Depreciation		5,646,850
Other Assets:		
Prepaid Expense - Pension Obligation	6,618,174	
Less: Accumulated Amortization	\$ (2,532,883)	
Total Other Assets, Net of Amortization		4,085,291
Total Assets		\$ 12,140,642
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable	\$ 39,394	
Interest Payable	7,840	
Current Portion of Long-Term Liabilities:		
Accrued Vacation Benefits	7,295	
QZAB Note Payable	207,783	
General Obligations Bonds	360,000	
Limited Tax PERS Bonds	175,693	
Total Current Liabilities		\$ 798,005
Long-Term Liabilities:		
Noncurrent Portion of Long-Term Liabilities:		
Early Retirement Benefits	\$ 16,816	
General Obligations Bonds	4,750,000	
Limited Tax PERS Bonds	5,247,240	
QZAB Note Payable	528,126	
Net OPEB Obligation	124,062	
Total Long-Term Liabilities		10,666,244
Total Liabilities		\$ 11,464,249
<u>NET ASSETS:</u>		
Invested in capital assets, net of related debt	\$ 1,008,151	
Restricted for Campus Activities	108,352	
Restricted for Other Purposes	11,636	
Restricted for Food Service Program	25,680	
Unrestricted	(477,425)	
Total Net Assets		\$ 676,394

The accompanying notes to the basic financial statements are an integral part of this statement.

AMITY SCHOOL DISTRICT NO. 4J

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2012

		Program Revenues		Net (Expense) Revenue and Change in Net Assets
	(Expenses)	Charges for Services	Operating Grants and Contributions	Governmental Activities
<u>GOVERNMENTAL ACTIVITIES:</u>				
Instruction				
Regular Instruction	\$ 3,439,320	\$ 295,773	\$ 245,305	\$ (2,898,242)
Special Programs	1,230,307	-	264,416	(965,891)
Summer School Programs	1,458	-	-	(1,458)
Total Instruction	4,671,085	295,773	509,721	(3,865,591)
Support Services				
Students	416,180	-	143	(416,037)
Instructional Staff	202,728	-	94,986	(107,742)
General Administration	185,172	-	-	(185,172)
School Administration	481,922	-	-	(481,922)
Business Services	195,701	-	1,051	(194,650)
Operation & Maintenance of Plant Services	667,302	-	-	(667,302)
Student Transportation Services	353,644	-	41,472	(312,172)
Staff Services	81,587	-	920	(80,667)
Technology Services	131,288	-	-	(131,288)
Total Support Services	2,715,524	-	138,572	(2,576,952)
Community Services	307,026	75,470	207,324	(24,232)
Interest on Long-Term Debt	515,941	-	-	(515,941)
Total Governmental Activities	\$ 8,209,576	\$ 371,243	\$ 855,617	\$ (6,982,716)

GENERAL REVENUES:

Local Sources

Property Taxes, levied for general purposes	1,280,210
Property Taxes, levied for debt service purposes	620,178
Interest and Investment Earnings	15,646
Miscellaneous	143,797
County School Fund	83,664
State School Support available for general purposes	4,770,343
Common School Fund	74,771

Subtotal - General Revenues 6,988,609

Change in Net Assets 5,893

Net Assets, July 1, 2011 670,501

Net Assets, June 30, 2012 **\$ 676,394**

The accompanying notes to the basic financial statements are an integral part of this statement.

Fund Financial Statements

Governmental Funds

AMITY SCHOOL DISTRICT NO. 4J

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2012

	General Fund #100	IDEA Grant Fund #200	Title 1 Fund #201	Debt Service Fund #300	PERS Bond Debt Service Fund #302	Other Funds	Total Governmental Funds
<u>ASSETS:</u>							
Cash and Cash Equivalents	\$ 789,902	\$ -	\$ -	\$ 31,632	\$ 410,372	\$ 511,632	\$ 1,743,538
Accounts Receivable	42,656	-	-	-	-	-	42,656
Property Taxes Receivable	146,608	-	-	70,220	-	-	216,828
Due From Other Funds	133,285	-	-	-	-	-	133,285
Due from Other Governments	-	82,169	35,882	-	-	15,235	133,286
Inventory-Food, Supplies & Commodities	-	-	-	-	-	19,414	19,414
Total Assets	\$ 1,112,451	\$ 82,169	\$ 35,882	\$101,852	\$ 410,372	\$ 546,281	\$ 2,289,007
<u>LIABILITIES AND FUND EQUITY:</u>							
LIABILITIES:							
Account Payables	\$ 37,898	\$ -	\$ -	\$ -	\$ -	\$ 1,496	\$ 39,394
Due to Other Funds	-	82,169	35,882	-	-	15,235	133,286
Deferred Revenues	109,378	-	-	52,374	-	-	161,752
Total Liabilities	147,276	82,169	35,882	52,374	-	16,731	334,432
FUND EQUITY:							
Fund Balances:							
Non-spendable	-	-	-	-	-	19,414	19,414
Restricted for:							
Capital Construction & Building Maintenance	-	-	-	-	-	11,635	11,635
Debt Service	-	-	-	49,478	-	-	49,478
Committed for:							
Educational Programs	-	-	-	-	-	66,792	66,792
Community Projects	-	-	-	-	-	12,849	12,849
Student Body Activities	-	-	-	-	-	108,353	108,353
Food Service Programs	-	-	-	-	-	5,637	5,637
Equipment Acquisition	-	-	-	-	-	128,615	128,615
Capital Construction & Building Maintenance	-	-	-	-	-	99,437	99,437
Employee Benefits Programs	-	-	-	-	-	76,818	76,818
Debt Service	-	-	-	-	410,372	-	410,372
Unassigned	965,177	-	-	-	-	-	965,177
Total Fund Balances	965,177	-	-	49,478	410,372	529,550	1,954,577
Total Liabilities & Fund Equity	\$ 1,112,453	\$ 82,169	\$ 35,882	\$101,852	\$ 410,372	\$ 546,281	\$ 2,289,009

The accompanying notes to the basic financial statements are an integral part of this statement.

AMITY SCHOOL DISTRICT NO. 4J
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2012

Total Fund Balances - Governmental Funds \$ 1,954,577

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds.

The cost of the assets is -	\$ 9,790,868	
The accumulated depreciation is -	<u>(4,144,018)</u>	
Net Value of Assets		5,646,850

Amounts paid to Oregon Public Retirement System to reduce the unfunded pension obligation of the District are not financial resources and therefore are not capitalized as a prepaid expense in the governmental funds.

The original prepaid amount is -	6,618,174	
The accumulated amortization is -	<u>(2,532,883)</u>	
Net Value of Prepaid Expense		4,085,291

Amounts paid for loan fees out of refunding bond proceeds are not financial resources and therefore are not capitalized as a prepaid expense in the governmental funds.

The original prepaid amount net of accumulated amortization is -		252,779
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Accrued interest payable is not included as a liability in the governmental funds. (7,840)

Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds. 161,752

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Long-term liabilities at year-end consist of :

Accrued Vacation Benefits	7,295	
Early Retirement Benefits	16,816	
Capital Leases	-	
Limited Tax PERS Bonds	5,422,933	
General Obligation Bonds	5,110,000	
Net OPEB Obligation	124,062	
QZAB Note Payable	<u>735,909</u>	
Total Long-Term Liabilities		<u>(11,417,015)</u>

Net Assets of Governmental Activities	<u>\$ 676,394</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

AMITY SCHOOL DISTRICT NO. 4J

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2012

	General Fund #100	IDEA Grant Fund #200	Title 1 Fund #201	Debt Service Fund #300	PERS Bond Debt Service Fund #302	Other Govern- mental Funds	Total Govern- mental Funds
<u>REVENUES:</u>							
Basic School Support Fund	\$ 4,753,940	\$ -	\$ -	\$ -	\$ -	\$ 16,403	\$ 4,770,343
Ad Valorem Taxes-Current Year	1,253,580	-	-	607,251	-	-	1,860,831
Ad Valorem Taxes-Prior Year	58,329	-	-	32,084	-	-	90,413
Services Provided to Other Funds	-	-	-	-	367,224	-	367,224
Fees and Charges	27,401	-	-	-	-	329,189	356,590
Admission to Co-Curricular Activities	14,653	-	-	-	-	-	14,653
Interest on Investments	11,511	-	-	1,321	1,961	853	15,646
Miscellaneous Local Revenues	123,161	-	-	-	-	20,636	143,797
County School Fund	83,664	-	-	-	-	-	83,664
Common School Fund	74,771	-	-	-	-	-	74,771
State Grants-In-Aid	242,355	-	-	-	-	924	243,279
Federal Reimbursement Grants	2,509	171,885	183,269	-	-	254,675	612,338
Total Revenues	6,645,874	171,885	183,269	640,656	369,185	622,680	8,633,549
<u>EXPENDITURES:</u>							
Instruction							
Regular Instruction	2,973,695	-	-	-	-	241,632	3,215,327
Special Programs	977,856	127,023	134,393	-	-	3,000	1,242,272
Summer School Programs	1,458	-	-	-	-	-	1,458
Supporting Services							
Students	378,353	143	-	-	-	44,087	422,583
Instructional Staff	156,184	3,372	47,527	-	-	-	207,083
General Administration	192,293	-	-	-	-	-	192,293
School Administration	480,360	-	-	-	-	11,258	491,618
Business Services	143,361	-	-	-	-	71,800	215,161
Operation & Maint. of Plant Services	692,540	-	-	-	-	125	692,665
Student Transportation Services	292,920	41,347	-	-	-	-	334,267
Information and Staff Services	27,642	-	920	-	-	50,214	78,776
Technology Services	132,623	-	-	-	-	-	132,623
Supplemental Retirement	18,047	-	-	-	-	-	18,047
Community Services	-	-	429	-	-	321,397	321,826
Debt Service	69,261	-	-	621,599	467,216	-	1,158,076
Total Expenditures	6,536,593	171,885	183,269	621,599	467,216	743,513	8,724,075
Excess (Deficiency) of Revenues							
Over Expenditures	109,281	-	-	19,057	(98,031)	(120,833)	(90,526)
<u>OTHER FINANCING SOURCES (USES):</u>							
Interfund Transfers In	-	-	-	-	-	45,000	45,000
Interfund Transfers Out	(45,000)	-	-	-	-	-	(45,000)
Net Change in Fund Balances	64,281	-	-	19,057	(98,031)	(75,833)	(90,526)
FUND BALANCES, July 1, 2011	900,896	-	-	30,421	508,403	585,969	2,025,689
FUND BALANCES, June 30, 2012	\$ 965,177	\$ -	\$ -	\$ 49,478	\$ 410,372	\$ 510,136	\$ 1,935,163

The accompanying notes to the basic financial statements are an integral part of this statement.

AMITY SCHOOL DISTRICT #4J
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For The Fiscal Year Ended June 30, 2012

Net Changes in Fund Balances - Total Governmental Funds \$ (90,526)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 30,410	
Less current year depreciation	<u>(308,647)</u>	(278,237)

Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.

	<u>(50,856)</u>	(50,856)
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Changes in the Food Service inventory balance from the prior year to the current year are an adjustment to expense for the Statement of Activities. That change is reflected as a change in fund balance reserve for the fund financial statements. That difference in accounting is reconciled here.

	<u>12,113</u>	12,113
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Expense accruals in the governmental funds do not include accrued interest expense payable.

The change in payables from the prior year to the current year is reconciled here.

	<u>776</u>	776
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Payment of unfunded pension obligation was originally reported in the governmental funds as an expenditure. In the Statement of Activities the amount to be charged each year as an expense over the estimated expense incurred to pay the obligation is amortized, rather than expensed at the time of the prepayment of PERS funding.

Amount of current year amortization	<u>(255,331)</u>	(255,331)
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Cost of loan fees was originally reported in the governmental funds as an expenditure. In the Statement of Activities the amount to be charged each year as an expense over the repayment period of the obligation is amortized, rather than expensed at the time the loan fees were incurred.

Amount of current year amortization	<u>(30,333)</u>	(30,333)
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Some items reported in Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

These activities consist of:

Increase in accrued OPEB	(9,690)	
Vacation Payable	<u>(7,295)</u>	(16,985)

Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Assets.

Retirement of principal is as follows:

Vacation Payable	21,700	
Early Retirement Benefits	52,213	
Capital Leases Payable	-	
General Obligations Bonds	400,000	
Limited Tax PERS Bonds	172,098	
QZAB Note Payable	<u>69,261</u>	<u>715,272</u>

Changes in Net Assets of Governmental Assets	\$	<u>5,893</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

Notes to the Basic

Financial Statements

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

Amity School District No. 4J was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is government by a separately elected five-member Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Amity School District No. 4J have been prepared in conformity with accounting principals generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the government's accounting policies are described below.

A. Reporting Entity

In determining the financial reporting entity, Amity School District No. 4J complies with Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the District appoints a voting majority of the organization's board; 2) the District is able to impose its will on the organization; 3) the organization has the potential to impose a financial benefit or burden on the District; and 4) there is fiscal dependency by the organization on the District.

Based on these criteria, Amity School District No. 4J has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

B. Basis of Presentation (Cont.)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain school district functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e. heating, phones, electricity, cleaning,) administration, counseling for students, and technology support.

IDEA Grant Fund – This fund includes all resources received from federal IDEA grants passed through the Oregon Department of Education.

Title 1 Grant Fund – This fund includes all resources received from federal Title 1 grants passed through the Oregon Department of Education.

PERS Bond Fund - Revenues accounted for in the PERS Bond Fund are charges to other funds and interest earned on investments. Expenditures accounted for in the PERS Bond Fund are the principal and interest payments on the PERS Bond.

Debt Service Fund – Revenues accounted for in the Debt Service Fund are from local property taxes levied to make general obligation bond payments, which are also accounted for in this fund according to the bond repayment schedule.

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

C. Measurement Focus/Basis of Accounting (Cont.)

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

D. Budgeting

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

Budget amounts shown in the budgetary comparison schedules include both the original and, when applicable, the revised amount. The combining fund financial statements and individual fund financial statements include in the budget column any revisions to the budget since original budget amounts were adopted.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

E. Cash and Investments

Cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

F. Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the statement of net assets. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectable taxes has been established. All property taxes receivable are due from property owners within the District.

G. Receivables

Uncollected property taxes and revenues from other sources that are earned but not received by the fiscal year end are reported as receivable in the current assets section in the government-wide statement of net assets by the District. Government grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as due from other governments in the current assets section in the government-wide statement of net assets by the District. All receivables are considered fully collectible; consequently no allowance for uncollectible taxes has been established.

Under the modified accrual basis of accounting used in the governmental fund financial statements, property taxes which have been collected within sixty days subsequent to year-end are considered measurable and

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

G. Receivables (Cont.)

available and are therefore recognized as revenue. All other property taxes receivable are offset by deferred revenue and, accordingly, have not been recognized as revenue. All taxes are considered collectible; consequently no allowance for uncollectible taxes has been established. Government grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as due from other governments in the fund financial statements by the District. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

H. Prepaid Expenses

The District has elected to report the amount paid to Oregon Public Employee Retirement System (PERS) to reduce the calculated unfunded pension liability obligation as a prepaid expense, as reported on the government-wide Statement of Net Assets. The prepaid asset is to be amortized in the amounts and over the estimated length of time the unfunded portion of the pension obligation is expected be paid out to its current and former employees.

I. Inventory

Food & supplies inventories in the Food Service Fund are valued at cost determined on the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

J. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized, but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	<u>Estimated Years of Useful Lives</u>
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

J. Capital Assets (Cont.)

In the governmental fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

K. Compensated Absences and Accrued Liabilities:

The liability for accrued vacation benefits reported in the government-wide statements consists of unpaid, accumulated annual vacation. The early retirement liability has been calculated using the accrual method for benefit amounts due to former employees who currently are receiving early-termination benefits.

All payables and accrued liabilities are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full form current financial resources are reported as obligations of the funds.

L. Deferred Revenues:

Amounts received for reimbursement-type grants in excess of District expenditures related that grant are reported in the liability section of the government-wide statements as deferred revenues, and are consequently not reported as revenues. In the governmental funds, deferred revenues are offset by reserves in the fund balance section of fund financial statements.

M. Long-Term Obligations

All bonds payable, notes payable and capital leases payable are recognized in the government-wide financial statements as a liability of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on bonded debt and capital lease payments are recorded as a debt service in the expenditure section of the statement and schedules.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

N. Equity Classifications:

Government-wide Statements

Equity is classified as net assets, which represents the difference between assets and liabilities. Net assets are displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision making authority, the Board of Directors, and does not lapse at year-end.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.):

N. Equity Classifications:

- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

O. Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures, while reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

P. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Note 1.E.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Note 1.E.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

2. CASH AND INVESTMENTS (CONT.):

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2012 the reported amount of the District's deposits was \$142,336 and the bank balance was \$638,119. Of the bank balance, the entire amount was covered by federal depository insurance or by pledged securities with the qualifying depository banks.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2012, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2012, the District's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government		
Investment Pool (LGIP)	\$ 1,601,170	N/A
Federal Agency Notes	33	N/A
Total Investments	<u>\$ 1,601,203</u>	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the District's total investments.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

3. RECEIVABLES:

Receivables as of the end of the year for the District's individual major funds and non-major funds in the aggregate are as follows:

	General Fund	IDEA Grant Fund	Title 1 Fund	Debt Service Fund	Non-Major and Other Fund	Total
Property Taxes	\$ 146,608	\$ -	\$ -	\$ 70,220	\$ -	\$ 216,828
Accounts Receivable	42,656	-	-	-	-	42,656
Due from Other Funds	-	-	-	-	-	-
Due from Other Governments	-	82,169	35,882	-	15,235	133,286
Total	\$ 189,264	\$ 82,169	\$ 35,882	\$ 70,220	\$ 15,235	\$ 392,770

4. CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2012:

Governmental Activities	June 30, 2011	Additions	Deletions	June 30, 2012
Assets not being depreciated:				
Land	\$ 221,099	\$ -	\$ -	\$ 221,099
Total Non-Depreciable Assets	221,099	-	-	221,099
Assets being depreciated:				
Land Improvements	689,461		-	689,461
Buildings & Improvements	8,294,416	30,410	-	8,324,826
Vehicles	259,119	-	-	259,119
Equipment	296,363	-	-	296,363
Total Depreciable Assets	9,539,359	30,410	-	9,569,769
Less: Accumulated Depreciation				
Land Improvements	417,410	27,698	-	445,108
Buildings & Improvements	2,951,788	248,173	-	3,199,961
Vehicles	218,182	17,577	-	235,759
Equipment	247,991	15,199	-	263,190
Total Accumulated Depreciation	3,835,371	308,647	-	4,144,018
Net Value of Capital Assets Being Depreciated	5,703,988	(278,237)	-	5,425,751
Total Governmental Activities--				
Net Value of Capital Assets	<u>\$ 5,925,087</u>	<u>\$ (278,237)</u>	<u>\$ -</u>	<u>\$ 5,646,850</u>

Depreciation expense was charged to governmental functions as follows:

Instruction - Regular Programs	\$ 281,547
Instruction - Special Programs	2,290
Support Services--Business Services	1,500
Support Services--Operation & Maintenance	6,423
Support Services--Student Transportation	16,887
Total depreciation expense - governmental activities	<u>\$ 308,647</u>

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

5. LONG-TERM DEBT:

A summary of debt transactions for the year ended June 30, 2012 is as follows:

	<u>Outstanding Balance June 1, 2011</u>	<u>New Issues and Interest Matured</u>	<u>Principal and Interest Retired</u>	<u>Outstanding Balance June 30, 2012</u>	<u>Amounts Due Within One Year</u>
General Obligation and Limited Tax Bonded Debt:					
General Obligation Bonds Series 2002 for real property additions and improvements and refunding of Series 1992 GO Bonds, US Bank, NA, trustee					
Original Balance \$7,400,000					
Dated April 1, 2003					
Interest Rate - 3.25% to 5.25%					
Principal	\$ 370,000	\$ -	\$ 370,000	\$ -	\$ -
Interest	-	16,649	16,649	-	-
Totals	\$ 370,000	\$ 16,649	\$ 386,649	\$ -	\$ -
General Obligation Refunding Bonds Series 2005 for partial refunding of Series 2002 General Obligation Bonds, US Bank, NA, trustee					
Original Balance \$5,380,000					
Dated October 6, 2005					
Interest Rate - 3.50% to 5.00%					
Principal	\$ 5,140,000	\$ -	\$ 30,000	\$ 5,110,000	\$ 360,000
Interest	-	204,950	204,950	-	203,900
Totals	\$ 5,140,000	\$ 204,950	\$ 234,950	\$ 5,110,000	\$ 563,900
Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2004, Wells Fargo Bank Northwest, NA, trustee					
Original Balance \$6,618,714					
Dated April 21, 2004					
Interest Rate - 1.50% to 6.27%					
Principal	\$ 5,595,031	\$ -	\$ 172,098	\$ 5,422,933	\$ 175,693
Interest	-	295,118	295,118	-	316,523
Totals	\$ 5,595,031	\$ 295,118	\$ 467,216	\$ 5,422,933	\$ 492,216
Installment Notes:					
Qualified Zone Academy Bond held by Bank of America for qualified building improvements and equipment purchases					
Original Balance 1,290,000					
Dated February 1, 2004					
Interest Rate - 0%					
Principal	\$ 805,170	\$ -	\$ 69,261	\$ 735,909	\$ 69,261
Interest	-	-	-	-	-
Totals	\$ 805,170	\$ -	\$ 69,261	\$ 735,909	\$ 69,261
Accumulated Unpaid Vacation:					
Certain district employees earn vacation at rates determined by the length of employment					
	\$ 21,700	\$ 7,295	\$ 21,700	\$ 7,295	\$ -
Early Retirement Benefits:					
Certain employees have negotiated or are eligible for ongoing post-employment benefits					
	\$ 69,029	\$ -	\$ 52,213	\$ 16,816	\$ 16,816
TOTAL DEBT AGREEMENTS:					
Principal	\$12,000,930	\$ 7,295	\$ 715,272	\$11,292,953	\$ 621,770
Interest	-	516,717	516,717	-	520,423
Totals	<u>\$12,000,930</u>	<u>\$ 524,012</u>	<u>\$1,231,989</u>	<u>\$11,292,953</u>	<u>\$1,142,193</u>

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

5. LONG-TERM DEBT (Cont.):

The debt service requirements on the above debt are as follows:

	<u>Due Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>General Obligation and Limited Tax Bonds:</u>				
	2013	535,693	520,423	1,056,116
	2014	567,613	530,453	1,098,066
	2015	599,771	538,795	1,138,566
	2016	633,436	544,129	1,177,565
	2017	669,168	557,018	1,226,186
	2018-2022	3,873,328	2,968,779	6,842,107
	2023-2027	3,228,925	1,181,358	4,410,283
	2028	425,000	24,140	1,413,832
	Totals	<u>\$10,532,934</u>	<u>\$6,865,095</u>	<u>\$18,362,721</u>
<u>Installment Notes:</u>				
	2019	<u>\$ 1,012,953</u>	<u>\$ -</u>	<u>\$ 1,012,953</u>
<u>Early Retirement Benefit:</u>				
	2013	<u>\$ 16,816</u>	<u>\$ -</u>	<u>\$ 16,816</u>
	Totals	<u>\$ 16,816</u>	<u>\$ -</u>	<u>\$ 16,816</u>

For further detail on debt service, see the ‘Schedule of Long Term Debt Transactions’ and ‘Schedule of Future Requirements for Retirement of Long Term’ in the Supplemental Data section of this report.

6. PENSION PLAN:

Plan Description - The District contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District’s contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

6. PENSION PLAN (CONT.):

Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

Funding Policy - Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2012 were 2.06% and 0.55% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The District is currently paying the member required contributions in accordance with collective bargaining agreements and conditions of employment for District employees meeting certain eligibility guidelines.

Annual Pension Cost - The District's contributions to PERS for the years ending June 30, 2010, 2011 and 2012 were \$200,041 and \$192,983, and \$255,071 respectively, which equaled the required contribution for the year. During 2002-03, the District issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability (See Note #5).

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB):

Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598- 7377, or by accessing the PERS web site at <http://oregon.gov/PERS/>.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONT.):

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.59% of annual covered payroll. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to PERS' RHIA for the year ended June 30, 2012, was \$14,334, which equaled the required contributions for the year.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the fiscal year ending June 30, 2012, the amount actually contributed to the plans, and changes in the District's net OPEB obligation:

Annual required contribution	\$ 25,453
Interest on net OPEB obligation	5,433
Adjustment to the annual required contribution	<u>6,863</u>
Annual OPEB cost (expense)	37,749
Contributions made	<u>14,333</u>
Increase in net OPEB obligation	9,690
Net OPEB obligation, beginning of year	<u>114,372</u>
Net OPEB obligation, end of year	<u><u>\$ 124,062</u></u>

Early Retirement Benefit

A retired superintendent receives medical insurance benefits in accordance with his final contract until his eligibility for Medicare.

For government-wide statements, the potential liability created by the union negotiated contractual obligation and other contractual obligation described above is recorded in the amount of \$16,816 as a liability and expenditure for the District when the liability is incurred. For fund financial statements, expenditures for post retirement benefits are recognized when paid. During the 2011-12 fiscal year, \$18,047 in health insurance benefits were expended by the District for other post employment benefits.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

8. CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial.

The District is not currently named as a defendant in any pending or threatened litigation.

9. COMMODITIES RECEIVED IN FOOD SERVICE FUND:

During the year the District received USDA commodities. Fair market value of the amount of commodities used during the 2011-12 fiscal year is \$16,028. The amount is reflected as federal revenue received and as a food expenditure in the Food Service Fund in the financial statements. Fair market value is determined by the Oregon Department of Education.

10. RISK MANAGEMENT:

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. The District is joined together with other school districts in the state, which are participating members of United Schools Insurance Program of Oregon, a public entity risk pool currently operating as a common risk management and insurance program for member governments. The District has an annually renewable contract to pay United Schools Insurance Program of Oregon an annual premium for its general liability, property liability, automobile liability, boiler and machinery, comprehensive crime, and umbrella insurance coverage.

The District carries commercial insurance for all other losses, including workers' compensation and employee health and accident insurance. Premiums to the health insurance company are paid through a combination of employer contributions and payroll withholdings for eligible employees.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State of Oregon to pay for any claims paid to former employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

The interfund balances between the general fund and special revenue funds represent payments made by the general fund on behalf of the special revenue funds in relation to grant reimbursements. All balances are expected to be repaid within one year.

Interfund balances at June 30, 2012 consisted of the following individual fund receivables and payables:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund #100	\$133,286	
Special Revenue Funds:		
IDEA Fund #200		\$ 82,169
Title 1 Fund #201		\$ 35,882
FEDERAL MISCELLANEOUS FUND #204		15,235
Food Service Fund #280		-
Total	<u>\$133,286</u>	<u>\$133,286</u>

Interfund transfers for the year ended June 30, 2012 were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund #100	\$ 45,000	
Food Service Fund #280		\$ 30,000
Capital Improvement Fund #430		15,000
Total	<u>\$ 45,000</u>	<u>\$ 45,000</u>

The transfer out of the General Fund to the Food Service Fund represents the District's election to provide General Fund support to the food service program. The transfer out of the General Fund to the Capital Improvement Fund represents the District's election to provide General Fund support towards capital improvement activities.

AMITY SCHOOL DISTRICT NO. 4J
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

12. FUND BALANCE COMPARISONS:

<u>Fund</u>	<u>Actual</u> <u>June 30, 2012</u>	<u>Budgeted</u> <u>July 1, 2012</u>
General Fund #100	\$ 965,176	\$ 975,000
IDEA Grant Fund # 200	-	-
Title 1 Fund # 201	-	-
Federal Miscellaneous Grants Fund # 204	-	-
State Miscellaneous Grants Fund # 205	-	-
Community Projects Fund # 250	12,849	14,000
Student Body Fund # 270	108,353	120,000
Food Service Fund # 280	5,637	10,000
Vehicle Replacement Fund # 292	62,795	62,795
Technology Replacement Fund # 293	65,820	70,775
QZAB Fund # 296	11,635	34,353
Unemployment Fund # 298	76,818	76,816
Scholarship Fund # 299	66,792	66,795
Debt Service Fund # 300	49,478	32,716
PERS Bond Debt Fund # 302	410,372	405,000
Capital Improvement Fund #430	\$ 99,437	\$ 99,438

REQUIRED

SUPPLEMENTARY

INFORMATION

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

GENERAL FUND #100

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Ad Valorem Taxes-Current Year	1,207,899	1,207,899	1,253,580	45,681
Ad Valorem Taxes-Prior Year	56,101	56,101	58,329	2,228
Land Sales - Delinquent Taxes	25	25	17	(8)
Penalties & Interest on Taxes	20	20	26	6
Interest on Investments	10,000	10,000	11,511	1,511
Admission to Co-Curricular	16,000	16,000	14,653	(1,347)
Fees	25,000	25,000	27,401	2,401
Rental on Buildings	6,250	6,250	5,250	(1,000)
Contributions from Private Sources	-	-	6,815	6,815
Services Provided Charter Schools	27,000	27,000	52,871	25,871
Recovery of Prior Years' Expenditures	-	-	7,493	7,493
Miscellaneous	48,000	48,000	49,883	1,883
Fingerprint Fees	150	150	806	656
Total Local Revenues	1,396,445	1,396,445	1,488,635	92,190
Revenues from Intermediate Sources:				
County School Fund	7,000	7,000	3,262	(3,738)
ESD Apportionment	97,297	97,297	80,402	(16,895)
Other Intermediate Sources	1,300	1,300	-	(1,300)
Total Intermediate Revenues	105,597	105,597	83,664	(21,933)
Revenues from State Sources:				
Basic School Support Fund	4,670,810	4,670,810	4,753,940	83,130
Common School Fund	71,768	71,768	74,771	3,003
Other Unrestricted Grants-in-Aid	44,000	44,000	50,876	6,876
Other Restricted Grants-in-Aid	152,196	152,196	191,479	39,283
Total State Revenues	4,938,774	4,938,774	5,071,066	132,292
Revenues from Federal Sources:				
ARRA - Education Jobs	-	-	2,506	2,506
Federal Forest Fees	-	-	3	3
Total Federal Revenues	-	-	2,509	2,509
Total Revenues	6,440,816	6,440,816	6,645,874	205,058
Total Expenditures	7,141,653	7,141,643	6,581,593	(560,050)
Excess of Revenues Over (Under) Expenditures	(700,837)	(700,827)	64,281	765,108
Fund Balance - July 1, 2011	818,000	818,000	900,896	82,896
Fund Balance - June 30, 2012	\$ 117,163	\$ 117,173	\$ 965,177	\$ 848,004

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF EXPENDITURES

GENERAL FUND #100

For the Fiscal Year Ended June 30, 2012

	Actual Amounts (Budgetary Basis - See Note 1)							Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Salaries	Employee	Purchased	Supplies	Other	Transfers	Total	Original	Final	
	100	200	300	and Materials 400	Objects 600	700				
INSTRUCTION:										
Regular Programs:										
#1111 Primary, K-5	\$ 749,511	\$ 352,475	\$ 7,631	\$ 14,608	\$ -	\$ -	\$ 1,124,225	\$ 1,053,293	\$ 1,143,291	\$ (19,066)
#1112 Intermediate	-	-	-	-	-	-	-	-	-	-
#1113 Elementary Extracurricular	5,323	1,433	942	70	-	-	7,768	7,852	7,852	(84)
#1121 Middle School	436,179	193,613	4,572	10,780	-	-	645,144	648,717	664,707	(19,563)
#1122 Middle School Extracurricular	11,761	2,638	6,220	2,311	-	-	22,930	18,575	18,575	4,355
#1131 High School	663,357	308,212	29,451	28,537	303	-	1,029,860	1,013,185	1,025,185	4,675
#1132 High School Extracurricular	76,277	25,273	27,797	12,076	2,345	-	143,768	141,055	141,055	2,713
Special Programs:										
#1210 Talented & Gifted	351	74	-	-	-	-	425	3,477	3,477	(3,052)
#1220 Restrict. Prgrms f/ Stdnts w/Disablt.	-	-	101,278	-	-	-	101,278	4,370	4,370	96,908
#1225 Restrict. Prgrms f/ Stdnts w/Disablt. - Out of Dis	-	-	-	-	-	-	-	1,500	1,500	(1,500)
#1250 Resources Room	271,011	141,786	3,596	9,092	-	-	425,485	451,797	463,797	(38,312)
#1260 Early Intervention	-	-	-	-	-	-	-	-	-	-
#1280 Alternative Education	-	-	367,440	-	-	-	367,440	409,950	409,950	(42,510)
#1291 English as Second Language	56,124	26,344	408	352	-	-	83,228	90,257	90,259	(7,031)
#1292 Teen Parent Program	-	-	-	-	-	-	-	200	200	(200)
#1294 Youth Corrections Education	-	-	-	-	-	-	-	4,000	4,000	(4,000)
#1430 High School Summer Programs	1,148	310	-	-	-	-	1,458	1,407	1,407	51
Total Instruction	2,271,042	1,052,158	549,335	77,826	2,648	-	3,953,009	3,849,635	3,979,625	(26,616)
SUPPORT SERVICES:										
Students:										
#2110 Attendance and Social Work Svcs	56,560	38,921	14,260	-	-	-	109,741	110,770	110,770	(1,029)
#2120 Guidance Services	89,617	52,226	3,916	777	-	-	146,536	146,673	146,673	(137)
#2130 Health Services	-	-	-	-	-	-	-	2,550	2,550	(2,550)
#2140 Psychological Services	-	-	4,644	-	-	-	4,644	30,850	30,850	(26,206)
#2150 Speech, Pathlgy & Audiology Svcs	-	-	23,469	-	-	-	23,469	12,800	12,800	10,669
#2190 Service Direction Services	63,326	28,340	2,297	-	-	-	93,963	34,071	34,071	59,892
Instructional Staff:										
#2210 Improvement of Instruct. Svcs	851	218	-	-	-	-	1,069	1,000	1,000	69
#2220 Education Media Services	74,591	51,181	1,309	6,572	130	-	133,783	135,047	135,047	(1,264)
#2230 Assessment and Testing	5,560	3,066	-	784	1,510	-	10,920	11,977	11,977	(1,057)
#2240 Instructional Staff Development	4,399	3,496	2,517	-	-	-	10,412	14,500	14,500	(4,088)
General Administration:										
#2310 Board of Education Services	-	-	30,924	3,493	12,326	-	46,743	36,950	36,950	9,793
#2320 Executive Administrative Services	121,726	21,511	674	530	1,109	-	145,550	146,241	146,241	(691)
School Administration:										
#2410 Office of the Principal Services	317,280	154,484	3,621	2,695	2,280	-	480,360	487,336	487,336	(6,976)
Business:										
#2520 Fiscal Services	89,067	35,367	16,200	2,113	614	-	143,361	146,687	146,687	(3,326)
#2540 Operation and Maintenance of Plant Services										
Care & Upkeep of Buildings	162,258	101,175	248,627	34,242	41,864	-	588,166	622,315	622,315	(34,149)
Care & Upkeep of Grounds	5,968	3,832	22,889	2,662	-	-	35,351	25,847	25,847	9,504
District-Wide Maintenance	38,222	23,610	4,947	2,244	-	-	69,023	63,822	63,822	5,201
Security Services	-	-	-	-	-	-	-	8,200	8,200	(8,200)
#2550 Student Transportation Services										
Service Direction	7,014	1,043	-	-	-	-	8,057	8,097	8,097	(40)
Vehicle Operations Services	3,664	943	249,746	10,608	1,475	-	266,436	268,320	268,320	(1,884)
Special Education Transportation Svcs	-	-	-	-	-	-	-	67,200	67,200	(67,200)
Other Student Transportation Services	11,529	6,898	-	-	-	-	18,427	18,711	18,711	(284)
Central Activities:										
#2620 Planning, Research, Dev. Svcs	-	-	-	-	-	-	-	-	-	-
#2630 Information Services	11,683	5,106	519	9	-	-	17,317	19,421	19,421	(2,104)
#2640 Staff Services	-	-	10,325	-	-	-	10,325	3,350	3,350	6,975
#2660 Technology Services	43,702	19,685	61,178	8,058	-	-	132,623	118,021	118,021	14,602
#2700 Supplemental Retirement Program	-	18,047	-	-	-	-	18,047	17,000	17,000	1,047
Total Support Services	1,107,017	569,149	702,062	74,787	61,308	-	2,514,323	2,557,756	2,557,756	(43,433)
Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	69,261	-	69,261	69,262	69,262	(1)
Interfund Transfers	-	-	-	-	-	45,000	45,000	45,000	45,000	-
Contingency	-	-	-	-	-	-	-	620,000	490,000	(490,000)
Total General Fund Expenditures	\$ 3,378,059	\$ 1,621,307	\$ 1,251,397	\$ 152,613	\$ 133,217	\$ 45,000	\$ 6,581,593	\$ 7,141,653	\$ 7,141,643	\$ (560,050)

AMITY SCHOOL DISTRICT NO. 4J

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual**

IDEA GRANT FUND #200

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Federal Sources:				
IDEA Grant	\$ 215,000	\$ 215,000	\$ 164,183	\$ (50,817)
IDEA Supplemental Grant	4,000	4,000	3,649	(351)
IDEA - 619 Grant	145,000	145,000	2,246	(142,754)
IDEA - ARRA	-	-	1,807	1,807
Other Grants-In-Aid	250	250	-	(250)
Total Federal Revenues	364,250	364,250	171,885	(192,365)
Total Revenues	364,250	364,250	171,885	(192,365)
<u>EXPENDITURES:</u>				
Instruction:				
#1255 Resource Rooms				
Salaries	221,155	221,155	72,964	(148,191)
Employee Benefits	65,735	65,735	48,808	(16,927)
Purchased Services	-	-	4,391	4,391
Employee Benefits	25,000	25,000	-	(25,000)
#1256 Resource Rooms				
Salaries	3,200	3,200	734	(2,466)
Employee Benefits	400	400	110	(290)
Purchased Services	400	400	16	(384)
Supplies and Materials	1,905	1,905	-	(1,905)
Total Instruction	317,795	317,795	127,023	(190,772)
Support Services				
#2190 Service Direction, Student Support Services				
Salaries	20,500	20,500	79	(20,421)
Employee Benefits	165	165	20	(145)
Purchased Services	100	100	44	(56)
Supplies and Materials	50	50	-	(50)
#2240 Instructional Staff Development				
Salaries	12,000	12,000	451	(11,549)
Employee Benefits	2,540	2,540	27	(2,513)
Purchased Services	11,100	11,100	2,851	(8,249)
Supplies and Materials	-	-	43	43
Other Uses	-	-	-	-
#2558 Other Student Transportation Services				
Purchased Services	-	-	41,347	41,347
Total Support Services	46,455	46,455	44,862	(1,593)
Total Expenditures	364,250	364,250	171,885	(192,365)
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance - July 1, 2011	-	-	-	-
Fund Balance - June 30, 2012	\$ -	\$ -	\$ -	\$ -

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

TITLE 1 FUND #201

For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<u>REVENUES:</u>				
Revenues from Federal Sources:				
Title 1 Grant	\$ 95,000	\$ 95,000	\$ 91,250	\$ (3,750)
Title 1 - ARRA	-	-	-	-
Restricted from Federal thru State	121,669	121,669	92,019	(29,650)
Total Federal Revenues	216,669	216,669	183,269	(33,400)
Total Revenues	216,669	216,669	183,269	(33,400)
<u>EXPENDITURES:</u>				
Instruction:				
#1272 Title 1				
Salaries	81,013	76,013	63,423	(12,590)
Employee Benefits	48,035	48,035	34,881	(13,154)
Purchased Services	25,850	25,850	14,401	(11,449)
Supplies and Materials	13,104	13,104	21,516	8,412
Other Uses	-	-	172	172
Total Instruction	168,002	163,002	134,393	(28,609)
Support Services:				
#2240 Instructional Staff Development				
Salaries	20,000	25,000	27,176	2,176
Employee Benefits	3,575	3,575	6,508	2,933
Purchased Services	22,000	22,000	13,843	(8,157)
#2542 Care & Upkeep of Buildings				
Salaries	500	500	-	(500)
Employee Benefits	134	134	-	(134)
#2552 Vehicle Operation Services				
Salaries	-	-	703	703
Employee Benefits	-	-	54	54
Purchased Services	-	-	163	163
Total Support Services	46,209	51,209	48,447	(2,762)
Enterprise and Community Services:				
#3330 Civic Services				
Supplies and Materials	2,458	2,458	429	(2,029)
Total Enterprise and Community Services	2,458	2,458	429	(2,029)
Total Expenditures	216,669	216,669	183,269	(33,400)
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance - July 1, 2011	-	-	-	-
Fund Balance - June 30, 2012	\$ -	\$ -	\$ -	\$ -

OTHER
SUPPLEMENTARY
INFORMATION

Combining and Individual
Fund Financial Statements

Additional Supporting Schedules

Non-Major Governmental Funds

AMITY SCHOOL DISTRICT NO. 4J
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

June 30, 2012

	Non-Major Funds - By Fund Type		Totals (Memorandum Only)
	Special Revenue	Capital Projects	2012
<u>ASSETS:</u>			
Cash and Investments	\$ 412,195	\$ 99,437	\$ 511,632
Intergovernmental Receivable	15,235	-	15,235
Inventories	19,414	-	19,414
Total Assets	\$ 446,844	\$ 99,437	\$ 546,281
<u>LIABILITIES AND FUND EQUITY:</u>			
Liabilities:			
Current Liabilities:			
Accounts Payable	\$ 1,496	\$ -	\$ 1,496
Due to Other Funds	15,235	-	15,235
Total Liabilities	16,731	-	16,731
Fund Equity:			
Fund Balance:			
Non-spendable	19,414	-	19,414
Restricted for:			
Capital Construction & Building Maintenance	11,635	-	11,635
Committed for:			
Educational Programs	66,792	-	66,792
Community Projects	12,849	-	12,849
Student Body Activities	108,353	-	108,353
Food Service Programs	5,637	-	5,637
Equipment Acquisition	128,615	-	128,615
Capital Construction & Building Maintenance	-	99,437	99,437
Employee Benefits Programs	76,818	-	76,818
Total Fund Equity	430,113	99,437	529,550
Total Liabilities and Fund Equity	\$ 446,844	\$ 99,437	\$ 546,281

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual ALL NON-MAJOR GOVERNMENTAL FUNDS For the Fiscal Year Ended June 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<u>REVENUES:</u>			
Revenues from:			
Basic School Support Fund	\$ 16,403	\$ -	\$ 16,403
Fees and Charges	329,189	-	329,189
Interest on Investments	853	-	853
Miscellaneous Local Revenues	20,636	-	20,636
State Grants-In-Aid	924	-	924
Federal Reimbursement Grants	254,675	-	254,675
Total Revenues	622,680	-	622,680
<u>EXPENDITURES:</u>			
Instruction			
Regular Instruction	241,632	-	241,632
Special Programs	3,000	-	3,000
Support Services			
Instructional Staff	44,087	-	44,087
Business Services	11,258	-	11,258
Operation & Maint. of Plant Services	46,324	25,476	71,800
Student Transportation Services	125	-	125
Technology Services	50,214	-	50,214
Enterprise and Community Services	321,397	-	321,397
Total Expenditures	718,037	25,476	743,513
Excess of Revenues Over (Under)			
Expenditures	(95,357)	(25,476)	(120,833)
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating Transfers In	30,000	15,000	45,000
Total Other Financing Sources (Uses)	30,000	15,000	45,000
Net Change in Fund Balances	(65,357)	(10,476)	(75,833)
Fund Balance - July 1, 2011	476,056	109,913	585,969
Fund Balance - June 30, 2012	\$ 410,699	\$ 99,437	\$ 510,136

Non-Major Special Revenue Funds

AMITY SCHOOL DISTRICT NO. 4J

COMBINING BALANCE SHEET

NON-MAJOR SPECIAL REVENUE FUNDS

June 30, 2012

	Federal Misc. Grants Fund #204	Community Projects Fund #250	Student Body Fund #270	Food Service Fund #280	Vehicle Replacement Fund #292	Technology Replacement Fund #293	QZAB Fund #296	Unemploy- ment Fund #298	Scholarship Fund #299	Total
ASSETS:										
Cash and Investments	\$ -	\$ 12,849	\$ 108,353	\$ 7,133	\$ 62,795	\$ 65,820	\$ 11,635	\$ 76,818	\$ 66,792	\$ 412,195
Intergovernmental Receivable	15,235	-	-	-	-	-	-	-	-	15,235
Inventories-Food, Supplies and Commodities	-	-	-	19,414	-	-	-	-	-	19,414
Total Assets	\$ 15,235	\$ 12,849	\$ 108,353	\$ 26,547	\$ 62,795	\$ 65,820	\$ 11,635	\$ 76,818	\$ 66,792	\$ 446,844

LIABILITIES & FUND EQUITY:

LIABILITIES:

Accounts Payable	\$ -	\$ -	\$ -	\$ 1,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,496
Due to Other Funds	15,235	-	-	-	-	-	-	-	-	15,235
Total Liabilities	15,235	-	-	1,496	-	-	-	-	-	16,731

FUND EQUITY:

Fund Balance:

Non-spendable	-	-	-	19,414	-	-	-	-	-	19,414
Restricted for:										
Capital Construction & Building Maint.	-	-	-	-	-	-	11,635	-	-	11,635
Committed for:										
Educational Programs	-	-	-	-	-	-	-	-	66,792	66,792
Community Projects	-	12,849	-	-	-	-	-	-	-	12,849
Student Body Activities	-	-	108,353	-	-	-	-	-	-	108,353
Food Service Programs	-	-	-	5,637	-	-	-	-	-	5,637
Equipment Acquisition	-	-	-	-	62,795	65,820	-	-	-	128,615
Employee Benefits Programs	-	-	-	-	-	-	-	76,818	-	76,818
Total Fund Balance	-	12,849	108,353	25,051	62,795	65,820	11,635	76,818	66,792	430,113
Total Liabilities and Fund Equity	\$ 15,235	\$ 12,849	\$ 108,353	\$ 26,547	\$ 62,795	\$ 65,820	\$ 11,635	\$ 76,818	\$ 66,792	\$ 446,844

AMITY SCHOOL DISTRICT NO. 4J

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances**

NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2011

	Federal Misc. Grants Fund #204	Community Projects Fund #250	Student Body Fund #270	Food Service Fund #280	Vehicle Replacement Fund #292	Technology Replacement Fund #293	QZAB Fund #296	Unem- ployment Fund #298	Scholarship Fund #299	Totals
REVENUES:										
Basic School Support Fund	\$ -	\$ -	\$ -	\$ 2,898	\$ 13,505	\$ -	\$ -	\$ -	\$ -	\$ 16,403
Fees and Charges	-	10,047	253,719	65,423	-	-	-	-	-	329,189
Interest on Investments	-	-	-	18	-	-	207	428	200	853
Miscellaneous Local Revenues	-	-	-	2,023	-	18,613	-	-	-	20,636
State Grants-In-Aid	-	-	-	924	-	-	-	-	-	924
Federal Reimbursement Grants	48,704	-	-	205,971	-	-	-	-	-	254,675
Total Revenues	48,704	10,047	253,719	277,257	13,505	18,613	207	428	200	622,680
EXPENDITURES:										
Instruction										
Regular Instruction	441	-	236,781	-	-	-	4,410	-	-	241,632
Special Programs	3,000	-	-	-	-	-	-	-	-	3,000
Support Services										
Instructional Staff	44,087	-	-	-	-	-	-	-	-	44,087
Business Services	1,051	-	-	-	-	-	-	10,207	-	11,258
Operation & Maint. of Plant Services	-	-	-	-	-	-	46,324	-	-	46,324
Student Transportation Services	125	-	-	-	-	-	-	-	-	125
Technology Services	-	-	-	-	-	43,452	6,762	-	-	50,214
Enterprise & Community Svcs	-	11,825	-	307,072	-	-	-	-	2,500	321,397
Total Expenditures	48,704	11,825	236,781	307,072	-	43,452	57,496	10,207	2,500	718,037
Excess of Revenues Over (Under) Expenditures	-	(1,778)	16,938	(29,815)	13,505	(24,839)	(57,289)	(9,779)	(2,300)	(95,357)
OTHER FINANCING SOURCES (USES):										
Operating Transfers In	-	-	-	30,000	-	-	-	-	-	30,000
Total Other Financing Sources (Uses)	-	-	-	30,000	-	-	-	-	-	30,000
Net Changes in Fund Balance	-	(1,778)	16,938	185	13,505	(24,839)	(57,289)	(9,779)	(2,300)	(65,357)
Fund Balance - July 1, 2010	-	14,627	91,415	5,452	49,290	90,659	68,924	86,597	69,092	476,056
Fund Balance- June 30, 2011	\$ -	\$ 12,849	\$ 108,353	\$ 5,637	\$ 62,795	\$ 65,820	\$ 11,635	\$ 76,818	\$ 66,792	\$ 410,699

AMITY SCHOOL DISTRICT NO. 4J

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual**

FEDERAL MISCELLANEOUS GRANTS FUND #204

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Revenues from Federal Sources:				
Title Iia Improving Teacher Quality Grant	\$ 70,600	\$ 70,600	\$ 40,368	\$ (30,232)
Title IIIa English Language No Child Left Behind	10,000	10,000	3,000	(7,000)
Vocational Education Carl Perkins Grant	4,000	4,000	-	(4,000)
Title X Innovative Program	-	-	2,798	2,798
Restricted Rev from the Fed gov thru the State	32,300	32,300	-	(32,300)
Grants-in-Aid from the Fed Gov't	30,000	30,000	-	(30,000)
Grants-in-Aid from the Fed Gov't thru Other	200	200	-	(200)
Other Restricted Federal Grant	-	-	2,538	2,538
Total Federal Revenues	147,100	147,100	48,704	(98,396)
Total Revenues	147,100	147,100	48,704	(98,396)
EXPENDITURES:				
Instruction:				
#1111 Primary, K-5 - Title Iia				
Salaries	20,000	20,000	-	(20,000)
#1131 High School Programs - Title X				
Salaries	-	-	380	380
Employee Benefits	-	-	29	29
Other Uses	-	-	32	32
#1131 High School Programs - Carl Perkins				
Supplies and Materials	3,000	3,000	-	(3,000)
#1291 English Second Language Program				
Salaries	4,700	4,700	658	(4,042)
Employee Benefits	1,660	1,660	168	(1,492)
Purchased Services	2,640	2,640	704	(1,936)
Supplies and Materials	1,000	1,000	1,470	470
Total Instruction	33,000	33,000	3,441	(29,559)
Support Services:				
#2110 Attendance Services				
Supplies and Materials	1,000	1,000	1,000	-
Other Uses	-	-	182	182
#2213 Social Work Services - Safe and Drug Free Schools				
Supplies and Materi:	20,000	20,000	-	(20,000)
#2240 Instructional Staff Development - Title Iia				
Salaries	28,550	28,550	27,175	(1,375)
Employee Benefits	7,050	7,050	6,523	(527)
Purchased Services	50,000	50,000	6,669	(43,331)
Supplies and Materials	5,000	5,000	-	(5,000)
#2240 Instructional Staff Development - Carl Perkins				
Salaries	800	800	-	(800)
Employee Benefits	200	200	-	(200)
#2241 Instructional Staff Development - TNT				
Salaries	175	175	2,312	2,137
Employee Benefits	25	25	226	201
#2520 Title X				
Fiscal Services - Salaries	200	200	330	130
Fiscal Services - Employee Benefits	38	38	85	47
Fiscal Services - Purchased Services	62	62	636	574
#2552 Vehicle Operation Services - Title X				
Purchased Services	-	-	125	125
Total Support Services	113,100	113,100	45,263	(67,837)
#3310 Direction of Community Services Activities				
Supplies and Materials	1,000	1,000	-	(1,000)
Total Enterprise and Community Services	1,000	1,000	-	(1,000)
Total Expenditures	147,100	147,100	48,704	(98,396)
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance - July 1, 2011	-	-	-	-
Fund Balance - June 30, 2012	\$ -	\$ -	\$ -	\$ -

AMITY SCHOOL DISTRICT NO. 4J

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual**

STATE MISCELLANEOUS GRANTS FUND #205

For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from State Sources:				
Other Restricted Grants	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ (60,000)</u>
Total State Revenues	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>
Total Revenues	60,000	60,000	-	(60,000)
<u>EXPENDITURES:</u>				
Instruction:				
#1111 Primary, K-5 Programs				
Supplies & Materials	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total Instruction	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Support Services:				
#2113 Social Work Services				
Salaries	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total Support Services	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Total Expenditures	60,000	60,000	-	(60,000)
Fund Balance - June 30, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

COMMUNITY PROJECTS FUND #250

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Tuition - Bridge Program	\$ 12,000	\$ 12,000	\$ 10,047	\$ (1,953)
Total Local Revenues	12,000	12,000	10,047	(1,953)
Total Revenues	12,000	12,000	10,047	(1,953)
<u>EXPENDITURES:</u>				
Enterprise and Community Services:				
#3502 Custody and Care of Children Services				
Salaries	16,509	16,509	10,441	(6,068)
Employee Benefits	8,191	8,191	1,132	(7,059)
Purchased Services	3,000	3,000	5	(2,995)
Supplies and Materials	300	300	247	(53)
Total Enterprise and Community Services	28,000	28,000	11,825	(16,175)
Total Expenditures	28,000	28,000	11,825	(16,175)
Excess of Revenues Over (Under) Expenditures	(16,000)	(16,000)	(1,778)	14,222
Fund Balance - July 1, 2011	16,000	20,000	14,627	(5,373)
Fund Balance - June 30, 2012	\$ -	\$ 4,000	\$ 12,849	\$ 8,849

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

STUDENT BODY FUND #270

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Other Curricular Activities	\$ 230,000	\$ 230,000	\$ 253,719	\$ 23,719
Total Revenues from Local Sources	230,000	230,000	253,719	23,719
Total Revenues	230,000	230,000	253,719	23,719
<u>EXPENDITURES:</u>				
Instruction:				
#1113 Primary Extracurricular - Materials and Supplies	50,000	50,000	28,163	(21,837)
#1122 Middle School Extracurricular - Materials and Supplies	50,000	50,000	25,129	(24,871)
#1132 High School Extracurricular - Materials and Supplies	230,000	230,000	183,489	(46,511)
Total Instruction	330,000	330,000	236,781	(93,219)
Total Expenditures	330,000	330,000	236,781	(93,219)
Excess of Revenues Over (Under) Expenditures	(100,000)	(100,000)	16,938	116,938
Fund Balance - July 1, 2011	100,000	100,000	91,415	(8,585)
Fund Balance - June 30, 2012	\$ -	\$ -	\$ 108,353	\$ 108,353

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

FOOD SERVICE FUND #280

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Interest on Investments	\$ -	\$ -	\$ 18	\$ 18
Breakfast Sales	5,000	5,000	3,180	(1,820)
Lunch Sales	85,000	85,000	57,158	(27,842)
Daily Sales - Non-reimbursable	10,000	10,000	5,085	(4,915)
Special Functions	3,000	3,000	2,023	(977)
Miscellaneous Revenue	2,000	2,000	-	(2,000)
Total Local Revenues	105,000	105,000	67,464	(37,536)
Revenues from State Sources:				
Basic School Support Fund	3,000	3,000	2,898	(102)
Reduced Price Meal Reimbursement	700	700	924	224
Total State Revenues	3,700	3,700	3,822	122
Revenues from Federal Sources:				
School Nutrition Reimbursements - Lunch & Breakfast	175,000	175,000	189,943	14,943
Restricted Rev From the Fed Gov through other agencies	8,000	8,000	-	(8,000)
Commodities	22,000	22,000	16,028	(5,972)
Total Federal Revenues	205,000	205,000	205,971	971
Total Revenues	313,700	313,700	277,257	(36,443)
<u>EXPENDITURES:</u>				
Enterprise and Community Services:				
#3120 Food Services:				
Salaries	68,510	68,510	68,178	(332)
Employee Benefits	58,633	58,633	51,713	(6,920)
Purchased Services	10,600	10,600	5,576	(5,024)
Supplies and Materials	192,985	192,985	159,037	(33,948)
Other Objects	2,500	2,500	5,274	2,774
#3190 Other Food Services:				
Salaries	9,260	9,260	9,311	51
Employee Benefits	8,177	8,177	7,983	(194)
Total Enterprise and Community Services	350,665	350,665	307,072	(43,593)
Total Expenditures	350,665	350,665	307,072	(43,593)
Excess of Revenues Over (Under) Expenditures	(36,965)	(36,965)	(29,815)	7,150
<u>OTHER FINANCING SOURCES:</u>				
Interfund Transfer In	30,000	30,000	30,000	-
Total Other Financing Sources	30,000	30,000	30,000	-
Net Change in Fund Balance	(6,965)	(6,965)	185	7,150
Fund Balance - July 1, 2011	6,965	6,965	5,452	(1,513)
Fund Balance - June 30, 2012	\$ -	\$ -	\$ 5,637	\$ 5,637

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

VEHICLE REPLACEMENT FUND #292

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from State Sources:				
SSF Transportation	14,000	14,000	13,505	(495)
Total State Revenues	14,000	14,000	13,505	(495)
Revenues from Other Sources:				
Long Term Debt Financing Sources	60,000	60,000	-	(60,000)
Total Other Revenues	60,000	60,000	-	(60,000)
Total Revenues	74,000	74,000	13,505	(60,495)
<u>EXPENDITURES:</u>				
Support Services:				
#2543 Care & Upkeep of Grounds Services				
Capital Outlay	43,290	43,290	-	(43,290)
#2550 Transportation Services				
Capital Outlay	60,000	60,000	-	(60,000)
Total Support Services	103,290	103,290	-	(103,290)
Other Uses:				
#5110 Debt Service				
#610 Lease Payment Principal	15,000	15,000	-	(15,000)
#620 Lease Payment Interest	5,000	5,000	-	(5,000)
Total Other Uses	20,000	20,000	-	(20,000)
Total Expenditures	123,290	123,290	-	(123,290)
Excess of Revenues Over (Under) Expenditures	(49,290)	(49,290)	13,505	62,795
Fund Balance - July 1, 2011	49,290	49,290	49,290	-
Fund Balance - June 30, 2012	\$ -	\$ -	\$ 62,795	\$ 62,795

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

TECHNOLOGY REPLACEMENT FUND #293

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
E-Rate Revenue	\$ 20,000	\$ 20,000	\$ 18,613	\$ (1,387)
Total Revenues from Local Sources	20,000	20,000	18,613	(1,387)
Total Revenues	20,000	20,000	18,613	(1,387)
<u>EXPENDITURES:</u>				
Support Services:				
#2660 Technology Services				
Salaries	16,372	16,372	16,366	(6)
Employee Benefits	9,747	9,747	8,126	(1,621)
Purchased Services	10,000	10,000	3,369	(6,631)
Supplies & Materials	74,541	74,541	15,591	(58,950)
Total Support Services	110,660	110,660	43,452	(67,208)
Total Expenditures	110,660	110,660	43,452	(67,208)
Excess of Revenues Over (Under) Expenditures	(90,660)	(90,660)	(24,839)	65,821
Fund Balance - July 1, 2011	90,659	90,659	90,659	-
Fund Balance - June 30, 2012	\$ (1)	\$ (1)	\$ 65,820	\$ 65,821

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

QZAB FUND #296

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Interest on Investments	\$ 100	\$ 100	\$ 207	\$ 107
Total Local Revenues	100	100	207	107
Total Revenues	100	100	207	107
<u>EXPENDITURES:</u>				
Instruction:				
#1111 Primary, K-5 Programs				
Supplies & Materials	10,000	5,000	-	(5,000)
#1131 High School Programs				
Supplies & Materials	10,000	10,000	4,410	(3,090)
Total Instruction	20,000	15,000	4,410	(8,090)
Support Services:				
#2542 Care & Upkeep of Buildings				
Purchased Services	49,222	49,222	40,738	(8,484)
Supplies & Materials	-	5,000	5,586	586
#2660 Technology Services				
Supplies & Materials	-	-	6,762	6,762
Total Support Services	49,222	54,222	53,086	(1,136)
Total Expenditures	69,222	69,222	57,496	(9,226)
Excess of Revenues Over (Under) Expenditures	(69,122)	(69,122)	(57,289)	9,333
Fund Balance - July 1, 2011	69,122	69,122	68,924	(198)
Fund Balance - June 30, 2012	\$ -	\$ -	\$ 11,635	\$ 9,135

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

UNEMPLOYMENT FUND #298

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Interest on Investments	\$ 650	\$ 650	\$ 428	\$ (222)
Total Revenues from Local Sources	650	650	428	(222)
Total Revenues	650	650	428	(222)
<u>EXPENDITURES:</u>				
Support Services:				
#2520 Fiscal Services -				
Employee Benefits	87,125	87,125	10,087	(77,038)
Purchased Services	150	150	120	(30)
Total Support Services	87,275	87,275	10,207	(77,068)
Total Expenditures	87,275	87,275	10,207	(77,068)
Excess of Revenues Over (Under) Expenditures	(86,625)	(86,625)	(9,779)	76,846
Fund Balance - July 1, 2011	86,625	86,625	86,597	(28)
Fund Balance - June 30, 2012	\$ -	\$ -	\$ 76,818	\$ 76,818

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

SCHOLARSHIP FUND #299

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Locals Sources:				
Interest on Investments	\$ 360	\$ 360	\$ 200	\$ (160)
Total Local Revenues	360	360	200	(160)
Total Revenues	360	360	200	(160)
<u>EXPENDITURES:</u>				
Enterprise and Community Services				
#3390 Other Community Services - Purchased Services	4,000	4,000	2,500	(1,500)
Total Enterprise and Community Services	4,000	4,000	2,500	(1,500)
Other Uses				
#6000 Contingency	69,251	69,251	-	(69,251)
Total Expenditures	73,251	73,251	2,500	(70,751)
Excess of Revenues Over (Under) Expenditures	(72,891)	(72,891)	(2,300)	70,591
Fund Balance - July 1, 2011	72,891	72,891	69,092	(3,799)
Fund Balance - June 30, 2012	\$ -	\$ -	\$ 66,792	\$ 66,792

Debt Service Funds

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

DEBT SERVICE FUND #300

(A Major Fund)

For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u> <u>(See Note 1)</u>	<u>Variance</u> <u>with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Current Year's Taxes	\$ 605,438	\$ 605,438	\$ 607,251	\$ 1,813
Prior Year's Taxes	14,000	14,000	32,084	18,084
Penalties and Interest on Local Taxes	-	-	12	12
Interest on Investments	900	900	1,309	409
Total Revenues	620,338	620,338	640,656	20,318
<u>EXPENDITURES:</u>				
Other Uses:				
#5110 Debt Service:				
#610 Principal Redemption	400,000	400,000	400,000	-
#620 Interest Expense	221,600	221,600	221,599	(1)
Total Other Uses	621,600	621,600	621,599	(1)
Total Expenditures	621,600	621,600	621,599	(1)
Excess of Revenues Over (Under) Expenditures	(1,262)	(1,262)	19,057	20,319
Fund Balance - July 1, 2011	1,262	1,262	30,421	(20,319)
Fund Balance - June 30, 2012	\$ -	\$ -	\$ 49,478	\$ -

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

PERS BOND DEBT SERVICE FUND #302 (A Major Fund)

For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Services Provided Other Funds	\$ 380,000	\$ 380,000	\$ 367,224	\$ (12,776)
Interest Income	2,200	2,200	1,961	(239)
Total Revenues	382,200	382,200	369,185	(13,015)
<u>EXPENDITURES:</u>				
Other Uses:				
#5110 Debt Service:				
#610 Principal Redemption	172,100	172,100	172,098	(2)
#620 Interest Expense	295,118	295,118	295,118	-
Total Other Uses	467,218	467,218	467,216	(2)
Total Expenditures	467,218	467,218	467,216	(2)
Excess of Revenues Over (Under) Expenditures	(85,018)	(85,018)	(98,031)	(13,013)
Fund Balance - July 1, 2011	496,474	496,474	508,403	11,929
Fund Balance - June 30, 2012	<u>\$ 411,456</u>	<u>\$ 411,456</u>	<u>\$ 410,372</u>	<u>\$ (1,084)</u>

Capital Projects Funds

AMITY SCHOOL DISTRICT NO. 4J

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

CAPITAL IMPROVEMENT FUND #430 (A Non-Major Fund)

For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Revenues from Local Sources:				
Total Revenues	-	-	-	-
<u>EXPENDITURES:</u>				
Support Services:				
#2542 Care & Upkeep of Building Services				
Purchased Services	40,000	40,000	25,476	(14,524)
Capital Outlay	84,913	84,913	-	(84,913)
Total Support Services	124,913	124,913	25,476	(99,437)
Total Expenditures	124,913	124,913	25,476	(99,437)
Excess of Revenues Over (Under) Expenditures	(124,913)	(124,913)	(25,476)	99,437
<u>OTHER FINANCING SOURCES:</u>				
Interfund Transfer In	15,000	15,000	15,000	-
Total Other Financing Sources	15,000	15,000	15,000	-
Net Change in Fund Balance	(109,913)	(109,913)	(10,476)	99,437
Fund Balance - July 1, 2011	109,913	109,913	109,913	-
Fund Balance - June 30, 2012	\$ -	\$ -	\$ 99,437	\$ 99,437

Additional Supporting Schedules

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF TRANSACTIONS BY ACTIVITY
STUDENT BODY FUNDS

For the Fiscal Year Ended June 30, 2012

	July 1, 2011	Revenues	Expenditures	Transfers In/(Out)	June 30, 2012
AMITY HIGH SCHOOL STUDENT BODY:					
Ag Shop	\$ 89	\$ -	\$ -	\$ -	\$ 89
Annual	1,508	9,218	7,800	25	2,951
Art	95	-	98	3	1
Athletics/General	496	6,308	6,200	150	754
Band & Choir	81	7,859	6,610	-	1,329
Baseball	295	4,715	4,898	(100)	12
Basketball/Boys	2,794	13,701	12,527	(250)	3,717
Basketball/Girls	944	3,900	2,803	250	2,292
Career's Class Projects	-	527	468	-	59
Class of 2009	9	-	-	-	9
Class of 2011	865	-	865	-	-
Class of 2012	4,399	967	3,640	-	1,727
Class of 2013	1,716	7,931	7,698	130	2,079
Class of 2014	139	2,859	831	-	2,167
Class of 2015	-	90	90	-	-
Computer Club	76	-	-	-	76
Cross Country	58	-	-	-	58
Daffodil Festival	9,148	13,774	11,354	-	11,569
Dance Team	1,407	18,536	19,288	-	655
Doernbecher	154	2,709	543	-	2,320
Drama Club	102	1,107	878	249	580
ELL	347	-	-	-	347
Environmental Club	248	-	-	-	248
Equestrian Team	1,514	4,676	4,698	-	1,492
FBLA	27	-	-	(27)	-
FFA	1,098	7,480	7,371	(50)	1,157
Football	4,574	5,774	6,751	-	3,597
FTA	6	-	-	-	6
Greenhouse	6,532	15,708	15,128	-	7,112
Golf	2	-	-	-	2
Hall of Fame/Sigma Club	43	2,218	1,079	(150)	1,033
International Club	107	408	396	-	119
Leadership	1,891	2,636	4,425	50	153
Library Account	576	208	237	-	547
Locks (Lost Lock Replace)	233	39	-	-	272
National Honor Society	62	-	-	-	62
Office/Staff	5	-	4	-	0
Over/Under account	-	2	29	26	-
OV & Tech	263	4,047	4,071	(199)	39
Overpayments	140	688	697	-	131
P.E. Fee	100	-	-	-	100
Rally	3,024	7,241	9,037	(15)	1,213
Shakespeare Festival	249	4,873	4,570	(249)	303
Soccer	129	1,076	877	-	328
Softball	1,484	2,550	3,202	(30)	803
Sports Participation Fee	-	16,435	16,565	130	-
Student Body	1,652	5,394	2,587	128	4,586
Student Store	1,020	1,697	1,736	27	1,007
Textbook (Lost Book) Account	1,807	922	25	7	2,711
Track	829	3,184	1,985	-	2,028
Volleyball	809	9,959	9,375	(105)	1,288
Wrestling	1,117	1,512	2,047	-	582
Total Amity High School	\$ 54,264	\$ 192,927	\$ 183,482	\$ 0	\$ 63,709

Continued on following page

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF TRANSACTIONS BY ACTIVITY (Continued)

STUDENT BODY FUNDS

For the Fiscal Year Ended June 30, 2012

	July 1, 2011	Revenues	Expenditures	Transfers In/(Out)	June 30, 2012
AMITY MIDDLE SCHOOL STUDENT BODY:					
Book Fee	\$ 649	\$ 1,608	\$ 1,600	\$ -	\$ 657
Field Trips	525	2,000	1,614	-	911
Leadership Class	494	-	-	-	494
Library Account	338	46	120	-	264
Magazine Fundraiser Account	1,060	5,886	5,214	-	1,733
Office/Staff	(8)	502	493	-	1
P.E. Fee	15	850	865	-	-
Sports Participation Fee	-	6,850	6,850	-	-
Student Body	1,716	5,972	6,505	-	1,183
Student Store	2,296	1,221	1,868	-	1,649
Total Amity Middle School	\$ 7,085	\$ 49,866	\$ 50,059	\$ -	\$ 6,892
AMITY ELEMENTARY SCHOOL:					
Annual	\$ 1,649	\$ 1,396	\$ 1,085	\$ -	\$ 1,959
Art	244	300	262	-	282
Field Day	2,249	1,419	1,222	-	2,446
Food Service	-	91	49	-	43
Greenhouse	415	-	29	-	386
Incentive Learning	631	-	-	-	631
Library	2,504	3,641	2,547	-	3,599
New Teachers	100	-	-	-	100
Office/Staff	99	1,055	1,055	-	99
Outdoor School	4,564	17,100	13,354	40	8,350
Robotics	-	1,460	44	-	1,416
Schoolwide Awards Program	9,232	170	3,461	1,716	7,658
Special Evening Acts	738	-	-	-	738
Student Body	4,616	8,256	4,001	(1,756)	7,115
Student Store	198	20	194	-	24
Textbook (Lost Book)	5	-	-	-	5
The Mason's Fund	585	-	-	-	585
Wreath	2,239	940	863	-	2,317
Total Amity Elementary School	\$ 30,067	\$ 69,988	\$ 62,303	\$ -	\$ 37,752
TOTAL STUDENT BODY FUNDS	\$ 91,416	\$ 312,780	\$ 295,843	\$ 0	\$ 108,353

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Fiscal Year Ended June 30, 2012

	Subject to Measure 5 Limits	Bond Levy Tax, Outside Measure 5 Limits	Total
Yamhill County:			
Assessed Valuation, 2011-12 Tax Roll	\$ 244,319,213	\$ 244,319,213	\$ 244,319,213
General Fund Permanent Rate Levy, Per One Thousand Dollars	4.7796		4.7796
General Obligation Bond Levy Rate, Per One Thousand Dollars		2.2543	2.2543
Amount Levy Rates Will Raise	1,167,748	550,769	1,718,517
Loss Due to Measure 5 Compression	(27,021)	-	(27,021)
Other Adjustments	-	1,033	1,033
Net Tax Levy - Yamhill County	<u>\$ 1,140,727</u>	<u>\$ 551,802</u>	<u>\$ 1,692,529</u>
Polk County:			
Assessed Valuation, 2011-12 Tax Roll	\$ 44,650,405	\$ 44,650,405	\$ 44,650,405
General Fund Permanent Rate Levy, Per One Thousand Dollars	4.7796		4.7796
General Obligation Bond Levy Rate, Per One Thousand Dollars		2.2543	2.2543
Amount Levy Rates Will Raise	213,411	100,655	314,066
Loss Due to Measure 5 Compression	(7,297)	-	(7,297)
Net Tax Levy - Polk County	<u>\$ 206,114</u>	<u>\$ 100,655</u>	<u>\$ 306,769</u>

Tax Year	Uncollected Balance July 1, 2011	Tax Collector's Adjustments Increase (Decrease)	Collections During the Year	Uncollected Balance June 30, 2012
2011-12	\$ 1,999,298	\$ (83,359)	\$ 1,827,392	\$ 88,547
2010-11	133,887	847	63,868	70,866
2009-10	62,495	(4,618)	25,559	32,318
2008-09	41,080	(13,657)	15,671	11,752
2007-08	10,893	1,182	8,992	3,083
2006-07	2,920	(170)	764	1,986
2005-06 & Prior	8,231	865	821	8,275
Totals	<u>\$ 2,258,804</u>	<u>\$ (98,910)</u>	1,943,067	<u>\$ 216,827</u>
Less 2010-11 Accrual			(46,899)	
Add 2011-12 Accrual			55,076	
Total Property Tax Revenues - Modified Accrual Method			<u>\$ 1,951,244</u>	

Modified Accrual (Budget Basis) Revenues by Fund:	Current	Prior	Total
General Fund	\$ 1,253,580	\$ 58,329	\$ 1,311,909
Debt Service Fund	607,251	32,084	639,335
Total Property Tax Revenues	<u>\$ 1,860,831</u>	<u>\$ 90,413</u>	<u>\$ 1,951,244</u>

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF FUND EXPENDITURES AND APPROPRIATIONS

For the Fiscal Year Ended June 30, 2012

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Over/(Under) Appropriations</u>
GENERAL FUND #100			
Instruction	\$ 3,953,009	\$ 3,979,625 *	\$ (26,616)
Support Services	2,514,323	2,557,756	(43,433)
Other Uses	114,261	114,262	(1)
Contingency	-	490,000 *	(490,000)
IDEA GRANT FUND #200			
Instruction	127,023	317,795	(190,772)
Support Services	44,862	46,455	(1,593)
TITLE 1 FUND #201			
Instruction	134,393	163,002 *	(28,609)
Support Services	48,447	51,209 *	(2,762)
Enterprise and Community Services	429	2,458	(2,029)
FEDERAL MISCELLANEOUS GRANTS FUND #204			
Instruction	3,441	33,000	(29,559)
Support Services	45,263	113,100	(67,837)
Enterprise and Community Services	-	1,000	(1,000)
STATE MISCELLANEOUS GRANTS FUND #205			
Instruction	-	30,000	(30,000)
Support Services	-	30,000	(30,000)
COMMUNITY PROJECTS FUND #250			
Enterprise and Community Services	11,825	28,000	(16,175)
STUDENT BODY FUND #270			
Instruction	236,781	330,000	(93,219)
FOOD SERVICE FUND #280			
Enterprise and Community Services	307,072	350,665	(43,593)
VEHICLE REPLACEMENT FUND #292			
Support Services	-	103,290	(103,290)
Other Uses	-	20,000	(20,000)
TECHNOLOGY REPLACEMENT FUND #293			
Support Services	43,452	110,660	(67,208)
QZAB Fund #296			
Instruction	4,410	15,000 *	(10,590)
Support Services	53,086	54,222 *	(1,136)
UNEMPLOYMENT FUND #298			
Support Services	10,207	87,275	(77,068)
SCHOLARSHIP FUND #299			
Instruction	-	-	-
Enterprise and Community Services	2,500	4,000	(1,500)
Contingency	-	69,251	(69,251)
DEBT SERVICE FUND #300			
Other Uses	621,599	621,600	(1)
PERS BOND DEBT SERVICE FUND #302			
Other Uses	467,216	467,218	(2)
CAPITAL IMPROVEMENT FUND #430			
Support Services	25,476	124,913	(99,437)
TOTAL ALL FUNDS	<u>\$ 8,769,075</u>	<u>\$ 10,315,756</u>	<u>\$ (1,546,681)</u>
RECAP:			
Original Budget Appropriation		10,315,756	
* Resolution 2011-2012 (7)		-	
Total Budget Appropriations		<u>\$ 10,315,756</u>	

* Appropriations Transfer Resolution 2011-2012 (7) dated June 27, 2012 transferred General Fund #100 contingency appropriations of \$130,000 to instruction appropriations in the same fund. It transferred Title 1 Fund #201 instruction appropriations of \$5,000 to support services appropriations in the same fund. It also transferred QZAB Loan Fund #296 instruction appropriations of \$5,000 to support services appropriations in the same fund.

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS

For the Fiscal Year Ended June 30, 2012

	<u>Outstanding Balance July 1, 2011</u>	<u>New Issues and Matured</u>	<u>Principal and Retired</u>	<u>Outstanding Balance June 30, 2012</u>	<u>Amount Due Within One Year</u>
General Obligation Bonds Series 2002 for real property additions and improvements and refunding of Series GO Bonds, US Bank, NA, trustee					
Original Balance \$7,400,000					
Dated April 1, 2002					
Interest Rate - 3.25% to 4.5%					
Principal	\$ 370,000	\$ -	\$ 370,000	\$ -	\$ -
Interest	-	16,649	16,649	-	-
Totals	\$ 370,000	\$ 16,649	\$ 386,649	\$ -	\$ -
General Obligation Refunding Bonds Series 2005 for refunding of Series 2002 General Obligation Bonds, US Bank, NA, trustee					
Original Balance \$5,380,000					
Dated October 6, 2005					
Interest Rate - 3.50% to 5.00%					
Principal	\$ 5,140,000	\$ -	\$ 30,000	\$ 5,110,000	\$ 360,000
Interest	-	204,950	204,950	-	203,900
Totals	\$ 5,140,000	\$ 204,950	\$ 234,950	\$ 5,110,000	\$ 563,900
Oregon School Boards Association Limited Tax Obligation Bonds Series 2004, Wells Fargo Bank Northwest, NA, trustee					
Original Balance \$6,618,714					
Dated April 21, 2004					
Interest Rate - 1.50% to 6.27%					
Principal	\$ 5,595,031	\$ -	\$ 172,098	\$ 5,422,933	\$ 175,693
Interest	-	295,118	295,118	-	316,523
Totals	\$ 5,595,031	\$ 295,118	\$ 467,216	\$ 5,422,933	\$ 492,216
Qualified Zone Academy Bond held by Bank of America for qualified building improvements and equipment purchases					
Original Balance 1,290,000 Annual Deposit of					
Dated February 1, 2004					
Interest Rate - 0%					
Principal	\$ 805,170	\$ -	\$ 69,261	\$ 735,909	\$ -
Totals	\$ 805,170	\$ -	\$ 69,261	\$ 735,909	\$ -
TOTAL DEBT AGREEMENTS:					
Principal	\$ 11,910,201	\$ -	\$ 641,359	\$ 11,268,842	\$ 535,693
Interest	-	516,717	516,717	-	520,423
Totals	\$ 11,910,201	\$ 516,717	\$ 1,158,076	\$ 11,268,842	\$ 1,056,116

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF FUTURE REQUIREMENTS FOR
RETIREMENT OF LONG-TERM DEBT
For the Fiscal Year Ended June 30, 2012

	Fiscal Year Ended June 30,	Total	Principal	Interest	Coupon Interest Rate
General Obligation Refunding Bonds Series 2005 for refunding of Series 2002 GO Bonds - Original Balance \$5,380,000	2013	\$ 563,900	\$ 360,000	\$ 203,900	3.63%
	2014	580,850	390,000	190,850	5.00%
	2015	591,350	420,000	171,350	5.00%
	2016	605,350	455,000	150,350	3.60%
	2017	623,970	490,000	133,970	3.70%
	2018	640,840	525,000	115,840	3.75%
	2019	656,152	560,000	96,152	3.80%
	2020	669,872	595,000	74,872	3.85%
	2021	686,965	635,000	51,965	3.90%
	2022	707,200	680,000	27,200	4.00%
Totals		\$ 6,326,449	\$ 5,110,000	\$ 1,216,449	
Oregon School Boards Association Limited Tax Pension Obligation Bonds Series 2004, Wells Fargo Bank Northwest, NA, Trustee - Original Balance \$6,618,714	2013	\$ 492,216	\$ 175,693	\$ 316,523	5.15%
	2014	517,216	177,613	339,603	5.33%
	2015	547,216	179,771	367,445	5.54%
	2016	572,215	178,436	393,779	5.71%
	2017	602,216	179,168	423,048	5.83%
	2018	632,215	178,241	453,974	5.96%
	2019	662,215	176,588	485,627	6.07%
	2020	697,216	176,485	520,731	6.15%
	2021	727,216	173,920	553,296	6.22%
	2022	762,216	173,094	589,122	6.26%
	2023	802,215	173,925	628,290	6.27%
	2024	842,216	645,000	197,216	6.27%
	2025	881,028	720,000	161,028	5.68%
	2026	920,132	800,000	120,132	5.68%
	2027	964,692	890,000	74,692	5.68%
2028	449,140	425,000	24,140	5.68%	
Totals		\$ 11,071,580	\$ 5,422,934	\$ 5,648,646	
Qualified Zone Academy Bond (QZAB) held by Bank America. Annual deposit of \$69,261 into Custodian Account at US Bank earning 3% annually is required. - Original Balance \$1,290,000	2019	\$ 1,012,953	\$ 1,012,953	\$ -	N/A
Totals		\$ 1,012,953	\$ 1,012,953	\$ -	
Total Future Requirements for Long-Term Debt		\$ 18,410,982	\$ 11,545,887	\$ 6,865,095	

INDEPENDENT AUDITOR'S
COMMENTS

AMITY SCHOOL DISTRICT NO. 4J
AUDITOR'S COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATION
As of June 30, 2012

To the Governing Body of the Amity School District No. 4J
Amity, Oregon

Oregon Administrative Rule (OAR) 162-010-0120 requires certain other financial information considered necessary for full disclosure of the fiscal affairs of Oregon Municipal corporations. That financial information is set forth in OAR 162-010-0130 through 162-010-0190. The basic financial statements, notes to the financial statements, and supplementary information as listed in the table of contents, provide that information.

Oregon Administrative Rule (OAR) 162-010-0200 requires comments and disclosures relating to our audit of the District's fiscal affairs and compliance with legal requirements as set forth in OAR 162-010-0210 through 162-010-0320. We performed procedures, which may have included samples of transactions, to obtain sufficient audit evidence to support the comments that follow:

ACCOUNTING RECORDS AND INTERNAL CONTROL:

The District's accounting records were in satisfactory condition for audit purposes.

As part of my examination of the financial statements, I obtained an understanding of the accounting system and the internal controls incorporated into that system. The purpose of understanding the accounting system and its controls is to assist in planning the nature and scope of my examination. The process involved in obtaining an understanding of the system is more limited than a study and evaluation necessary to express an opinion on the internal control system as a whole. Accordingly, I do not express an opinion on the system of internal control.

As part of my audit of the basic financial statements, and as required by *Governmental Auditing Standards*, I tested on a limited basis internal controls of the District and adjusted the nature and extent of other auditing procedures as deemed necessary. Although the District's system of internal control is somewhat limited by the number of administrative personnel available, my study did not disclose any conditions which I considered to be a deficiency in the internal controls.

Management has been provided with a separate letter containing certain items I noted during the audit.

COLLATERAL:

ORS 295 requires deposits with financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation be held at qualifying institutions under the Public Funds Collateralization Program and that public officials provide the Office of the Oregon State Treasurer with the names of all bank depositories in which the District currently deposits public funds.

The District has complied with the provisions of ORS 295 as it pertains to the collateralization of public funds.

INDEBTEDNESS:

The District has not exceeded its legal debt limitation as provided by ORS 328.245. The District was in compliance with all debt covenants and all payments were made on a timely basis.

AMITY SCHOOL DISTRICT NO. 4J
AUDITOR'S COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATION (Continued)
As of June 30, 2012

BUDGET:

Minutes and resolutions of the Budget Committee and Board of Directors were reviewed for compliance of Oregon Budget Law in preparation, adoption and execution of the current year's budget and preparation and adoption of the ensuing year's budget. I found no instances of non-compliance of Oregon Budget Law by the District for the 2011-12 fiscal year or in preparation and adoption of the 2012-13 budget.

INVESTMENTS:

The District is in compliance with legal requirements of ORS 294 pertaining to investment of public funds.

INSURANCE AND FIDELITY BONDS:

I have examined the District's fidelity bonds and insurance coverage's at June 30, 2012 and ascertained that such policies appeared to be in force as of that date and appeared to comply with the legal requirements. I recommend periodic review of insurance by qualified individuals, as I do not possess expertise in this area.

PUBLIC CONTRACTING:

The District complied with the requirements of ORS 279 by making every effort to construct public improvements at the least cost to the public agency. Adequate bids and quotes were obtained for all required contracts and purchases.

PROGRAMS FUNDED FROM OUTSIDE SOURCES:

During the fiscal year, the District complied with all appropriate laws, rules, and regulations pertaining to programs funded by the federal government and the State of Oregon. My examination included procedures required under the Single Audit Act of 1984 and described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*. In accordance with *Governmental Auditing Standards*, I issued a report on my consideration of Amity School District's compliance and internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. Those reports are in the Single Audit Section of these financial statements.

STATE SCHOOL FUNDS:

I have examined the District's compliance with respect to calculating and reporting factors used to compute the State School Fund distribution as stated in ORS 327.013 and further defined by Oregon Department of Education rules. My examination included, but was not limited to, assessment of internal controls related to these calculations and reports. I am not aware of any instance of noncompliance with respect to State School Fund calculations or reporting.

AMITY SCHOOL DISTRICT NO. 4J
AUDITOR'S COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATION (Continued)
As of June 30, 2012

STATEMENT OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS:

This statement is not applicable to the District.

This report is intended solely for the information of the State of Oregon, Secretary of State, Division of Audits and other state agencies and is not intended and should not be used by anyone other than these specified parties.

Steven L. Tuchscherer, CPA
Steve Tuchscherer, CPA, PC

Roseburg, Oregon
December 4, 2012

SINGLE AUDIT SECTION

AMITY SCHOOL DISTRICT NO. 4J

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 2012

Federal Grantor/Pass Through Grantor/ Program Title	Fund	Federal CFDA Number	Grant Period	Original Program or Grant Amount	Receivable/ Deferred Revenue June 30, 2011	Cash Received	Expenditures	Receivable/ Deferred Revenue June 30, 2012
Passed Through Oregon Department of Education:								
Title 1-A	Title 1	84.010A	2011-12	\$ 92,270	\$ -	\$ 61,676	\$ 89,727	\$ (28,051)
Title 1-A	Title 1	84.010A	2010-11	90,163	(29,431)	30,954	1,523	-
Title 1 - School Improvement Grant	Title 1	84.010A	2011-12	33,000	-	33,000	33,000	-
Title 1 - School Improvement Grant	Title 1	84.010A	2010-11	33,600	(14,487)	25,494	11,007	-
ARRA - School Improvement Fund	Title 1	84.389	2011-12	34,669	-	34,669	34,669	-
School Improvement Fund	Title 1	84.010	2011-12	50,050	-	5,514	13,344	(7,830)
Total Title 1				333,752	(43,918)	191,307	183,270	(35,881)
Title 2-A Improving Teacher Quality	Federal Misc.	84.367	2011-12	35,642	-	7,179	20,101	(12,922)
Title 2-A Improving Teacher Quality	Federal Misc.	84.367	2010-11	40,407	(9,786)	30,052	20,266	-
Total Title 2A - Improving Teacher Quality				76,049	(9,786)	37,231	40,367	(12,922)
IDEA - Special Education Grants to States	IDEA Grant	84.027A	2011-12	154,214	-	20,957	102,003	(81,046)
IDEA - Special Education Grants to States	IDEA Grant	84.027A	2010-11	148,416	(28,489)	90,669	62,180	-
ARRA - IDEA Part B, Section 611	IDEA Grant	84.391	2009-10	150,093	(32,215)	34,022	1,807	-
IDEA - Enhancement & Extended Assessment Training	IDEA Grant	84.027A	2011-12	2,122	-	2,122	2,122	-
IDEA - Enhancement & Extended Assessment Training	IDEA Grant	84.027A	2010-11	2,122	(1,105)	1,105	-	-
IDEA, Section 619-24141-11/12	IDEA Grant	84.173	2011-12	3,491	-	-	1,123	(1,123)
IDEA, Section 619-21915-10/11	IDEA Grant	84.173	2010-11	1,123	-	1,123	1,123	-
IDEA - SPR&I	IDEA Grant	84.027A	2011-12	1,527	-	1,527	1,527	-
Total IDEA				463,108	(61,809)	151,525	171,885	(82,169)
Title X - McKinney Homeless Children and Youth	Federal Misc.	84.387	2009-10	2,120	(97)	2,063	2,798	(832)
ARRA - State Fiscal Stabilization	General	84.394	2010-11	96,461	(24,323)	24,323	-	-
Total ARRA - State Fiscal Stabilization				96,461	(24,323)	24,323	-	-
Education Jobs - ARRA	General	84.410	2010-11	172,089	(69,708)	72,214	2,506	-
Passed through Education Service District:								
TNT Grant 11-12	Federal Misc.	84.387	2011-12	2,538	-	2,035	2,538	(503)
Career and Technical Education -- Basic Grants to States	Federal Misc.	84.048A	2010-11	4,124	(4,124)	4,124	-	-
Total Career and Technical Education -- Basic Grants to States				6,662	(4,124)	6,159	2,538	(503)
Title IIIa - English Language Acquisition	Federal Misc.	84.365	2011-12	3,000	-	2,022	3,000	(978)
Total U.S. Department of Education				\$ 1,153,241	\$ (213,765)	\$ 486,844	\$ 406,364	\$ (133,285)

U.S. DEPARTMENT OF AGRICULTURE

Passed Through Oregon Department of Education:

Commodities	* Food Service	10.550	2011-12	\$ 16,028	\$ -	\$ 16,028	\$ 16,028	\$ -
National School Lunch - Breakfast	* Food Service	10.553	2010-11	41,669	(3,338)	3,338	-	-
National School Lunch - Breakfast	* Food Service	10.553	2011-12	44,646	-	44,646	44,646	-
National School Lunch - Section 4	* Food Service	10.555	2010-11	127,327	(9,349)	9,349	-	-
National School Lunch - Section 4	* Food Service	10.555	2011-12	145,297	-	145,297	145,297	-
Total National School Lunch Program	*			374,967	(12,687)	218,658	205,971	-

Passed Through Yamhill County:

Federal Forest Fees	General	10.665	2011-12	-	-	3	3	-
Total U.S. Department of Agriculture				374,967	(12,687)	218,661	205,974	-

TOTALS **\$ 1,528,208** **\$ (226,452)** **\$ 705,505** **\$ 612,338** **\$ (133,285)**

This schedule is prepared using the modified accrual basis of accounting

RECONCILIATION TO REVENUE:

Cash Receipts per Schedule Above	\$ 705,505
Grants Receivable/Deferred Revenue Beginning of Year	(226,452)
Grants Receivable/Deferred Revenue End of Year	133,285
Federal Revenue Recognized per Financial Statements	\$ 612,338

* major program

STEVE TUCHSCHERER

Certified Public Accountant



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Amity School District No. 4J

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amity School District No. 4J, as of and for the year ended June 30, 2012, which collectively comprise the Amity School District No. 4J's basic financial statements and have issued my report thereon dated October 5, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Amity School District No. 4J's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Amity School District No. 4J's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Amity School District No. 4J's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amity School District No. 4J's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of Amity School District No. 4J, in a separate letter dated December 4, 2012.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Steve Tuchscherer, CPA
December 4, 2012



REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Amity School District No. 4J

Compliance

I have audited the compliance of Amity School District No. 4J, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2012. Amity School District No. 4J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Amity School District No. 4J's management. My responsibility is to express an opinion on Amity School District No. 4J's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Amity School District No. 4J's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Amity School District No. 4J's compliance with those requirements.

In my opinion, Amity School District No. 4J, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Amity School District No. 4J is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Amity School District No. 4J's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Amity School District No. 4J's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

Amity School District No. 4J's response to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit Amity School District No. 4J's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Steve Tuchscherer, CPA
December 4, 2012

AMITY SCHOOL DISTRICT NO. 4J
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2012

Section I—Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the financial statements of Amity School District No. 4J.
2. No significant deficiencies in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Amity School District No. 4J were disclosed during the audit.
4. No significant deficiencies in internal control were disclosed by the audit of the financial statements.
5. No significant deficiencies in internal controls over major programs were disclosed by the audit.
6. The auditor’s report on compliance for the major federal award program expresses an unqualified opinion.
7. The audit did not disclose any findings that are required to be reported.
8. The program tested as a major program was the National School Lunch cluster, CFDA Number(s) 10.550, 10.553 and 10.555.
9. The threshold for distinguishing between Type A and B programs was \$300,000.
10. The District was determined to be a low-risk auditee.

Section II—Financial Statements Findings

No findings related to the financial statements are reported for the year ended June 30, 2012.

Section III—Findings and Questioned Costs for Federal Awards.

No matters were reported relating to significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Section IV—Summary Schedule of Prior Audit Findings

There were no findings or questioned costs for the year ended June 30, 2011.

AMITY SCHOOL DISTRICT NO. 4J

Oregon Department of Education Form 581-3211-C

For the Fiscal Year Ended June 30, 2012

SUPPLEMENTAL INFORMATION, 2011-2012

Parts A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

A. Energy Bills for Heating - All Funds:

Please enter your expenditures for electricity
& heating fuel for these Functions & Objects.

	Objects 325 & 326
Function 2540	\$ 131,732
Function 2550	\$ -

B. Replacement of Equipment - General Fund:

Include all General Fund expenditures in Object 542, except for the following exclusions:

Exclude these functions:

1113,1122 & 1132

1140

1300

1400

Extra-curricular Activities

Pre-Kindergarten

Continuing Education

Summer School

Exclude these functions:

4150 Construction

2550 Pupil Transportation

3100 Food Service

3300 Community Services

\$	-
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